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12 August 1985

# West Europe Report

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12 August 1985

## WEST EUROPE REPORT

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POLITICAL

EUROPEAN AFFAIRS

DEFENSIVE SOVIET LINE AT PEACE INSTITUTE CONFERENCE SURPRISES

Stockholm DAGENS NYHETER in Swedish 8 Jul 85 p 10

[Article by Harald Hamrin]

[Text] According to many participants, a surprisingly passive and defensive posture by the Soviet delegates was one of the most interesting aspects of the 3-day conference at the international peace institute SIPRI (Stockholm International Peace Research Institute) on "space weapons and international security," which ended on Sunday.

Using familiar phrases, the Soviet participants criticized the American SDI program. They used only vague statements, however, to reject American accusations that the Soviet Union itself is working on an SDI program.

Hardly surprisingly, the SIPRI conference was characterized not only by differences between East and West, but just as much within the American group.

"We have reached agreement on two matters. First of all, research on space systems is and will continue to be secret. Secondly, the weather during the conference has been wonderful," American researcher Stephen Rockwood said jokingly at the press conference that took place in Saltsjobaden near Stockholm.

Rockwood is in charge of research on space weapons at Los Alamos Institute in New Mexico in the United States.

Differences

Other participants at the conference were less critical, but it was clear on the final day that there were major differences. One of the three working groups at the conference could not even agree on the text of the report summarizing the group's discussions before time for the final debate.

Not surprisingly, the line was drawn between supporters of the official American line calling for a research program on space weapons, on the one hand, and the Soviet and other Eastern European delegates on the other.

The official American line is that SDI, the "Strategic Defense Initiative,"

is a pure research program. No decisions on concrete development work have been made and will not be made without consultations with the allies of the United States and negotiations with the Soviet Union.

The Soviet delegates said that SDI was in violation of the 1972 ABM treaty, which prohibits the establishment of a defense system against nuclear weapons.

There were similar differences at the conference within the American--between supporters and opponents of the SDI program. According to many conference participants, the Soviet participants even played some obscure role in this internal American debate.

A large part of the internal American debate moved over here and continued at Saltsjobaden, according to Stephen Rockwood. Other conference participants agreed.

Strange

It was also strange that the Soviet representatives did not take the opportunity at the conference to reject clearly and unequivocally the accusations made on the first day of the conference by Frank Gaffney of the Defense Department in Washington.

Gaffney presented material indicating that the Soviet Union was building up a space defense system of its own. He also claimed that the Soviet Union was constructing a radar installation in Krasnoyarsk, Siberia, that was clearly in violation of the ABM agreement of 1972.

Even the American SDI critic Richard Garwin told DAGENS NYHETER on Sunday that the Krasnoyarsk station, once completed, would be in violation of the ABM agreement.

Lynn Hansen of the American delegation to the Stockholm conference pointed out that the Soviet party leader Mikhail Gorbachev, in a letter to a group of American researchers, had not expressly rejected research on space weapons. In the letter, Gorbachev advocated only a ban against testing and deployment of space weapons.

Together, these circumstances gave many conference participants the impression that the Soviet delegates had been unexpectedly "defensive" at the SIPRI conference. This also indicated to many delegates that the Soviet Union has an SDI program of its own, although not of the same extent as the American program.

"The Soviet Union is working on its own space program at a slow and steady pace," SDI critic Garwin said. He added, however, that it was the strong American effort in the area of space weapons since 1983 that had caused the current debate. In this sense, the question of space weapons is an American problem.

POLITICAL

EUROPEAN AFFAIRS

FACTS SCARCE, RESPONSES ABUNDANT TO EUREKA PROPOSAL

Initial FRG Response Positive

Frankfurt/Main FRANKFURTER RUNDSCHAU in German 7 Jun 85 p 1

[Article by Horst Schreitter-Schwarzenfeld (Bonn): "A European Pipe Dream Against U.S. Science Fiction; The French Research Initiative EUREKA has many Friends in Bonn"]

[Text] Eureka! I have found it! According to the Roman architect and writer Vitruvius Pollio, that was Archimedes cry of delight when, while studying the gold content of a crown for King Herod II of Syracuse, he suddenly discovered the law of the specific weight. According to another tradition, Archimedes made physical discoveries in the bath, whereupon he ran through the streets overjoyed, but stark-naked.

"Eureka" now call out the officials in the administration of French President Francois Mitterrand. What they have found is the law of Europe's specific weight. At first it sounds like an answer to SDI, the Strategic Defense Initiative of U.S. President Ronald Reagan, which faces Western Europe with the question of whether or not to participate in research on the project of space defense.

Has the solution been found with "EUREKA"? The way out of the dilemma between participation (and the political risks connected therewith) and nonparticipation (with the danger of losing the linkage to the U.S. top technology)? For the sake of the handy slogan--the acronym EUREKA stands for: European Research Cooperation Agency--the "C" in the English word "cooperation" was generously transformed into a "K," a concession to the international public which for France, which is otherwise very precise in such questions, can only be explained by the fact that something big is at stake. (And the fact that a project with the designation "Eureka" already exists).

What does EUREKA want to accomplish? French experts provide the following information: To start with, EUREKA is nothing but an idea, the concept of a European technology community. The U.S. space program SDI, it is said, did not directly produce the idea of EUREKA, but Reagan's "star wars" suddenly made all Europeans aware of the necessity to start something of their own. For if SDI research were successful--the French are not quite certain--

European technology capacities and research brains would be lured to the United States. EUREKA offers them an alternative.

In contrast to SDI--the French explanations continue--EUREKA is a civilian project. In contrast to the U.S. defense initiative, EUREKA offers no new military concept, no new strategy. Nevertheless military application of research progress is conceivable. Even if, e.g., the construction of a European spy satellite were to take place, such an undertaking is within the framework of the existing strategy, for in final analysis it serves the stabilization of the balance. And whatever will become of the satellite project: to start with it is not regarded as a component of EUREKA.

But what are the fields in which Europe is to perform research within the framework of EUREKA? Where is the concrete concept? The answer is: there is as yet no such concept. There is merely a letter of French Foreign Minister Roland Dumas to possible partner countries which contains some proposals. Now the research experts of European governments are to first "define a few projects." By the Europe summit in Milan (end of June) a kind of project list should be ready, some key subjects are to be agreed upon, such as microbiology, computer technology or information transmission. According to the ideas of the French, only then will it pay to discuss institutions, the question in which framework, in which authorities European research is to take place. Of course here the indication is absent that such research authorities are already in existence--the European Space Agency, ESA, for example, which has been sending Ariane missiles into space for years.

Pipe dream or not? With the EUREKA idea, the French found a fan in the Social Democrat Egon Bahr: "EUREKA is no pipe dream," Bahr said. For him EUREKA possesses qualities of the old Greek: "I have found it"! namely a means by which the FRG can elegantly disengage itself from the U.S. SDI. The SPD has categorically rejected Reagan's "star wars." The matter is not quite so simple for the government parties, the CDU/CSU and the FDP. There the EUREKA debate burst into an excited SDI debate where Liberals and Bavarian CSU members emphasize entirely different factors and where the Federal Chancellor tries to find followers for his course of benevolent maneuvering. No, in Bonn only the Greens are opposed to EUREKA. All others favor it, more or less. Kohl adviser Horst Teltschik, director of the SDI interministerial working group in the Chancellor's office, now also coordinates the EUREKA contacts between Bonn and Paris. French officials pay visits, everyday life of the bureaucrats is already occupied with this new topic. CDU ministers, such as Heinz Riesenhuber and Georg Stoltenberg, have probably recognized for a long time that German participation in EUREKA will have to be paid for from budget funds. In their case the call for "I have found it"! therefore sounds muted.

In the meantime, Federal Chancellor Kohl pursues an old passion, namely to harmonize entirely different matters. "He wants to combine the opposites of EUREKA and SDI," the Social Democrat Erwin Horn grumbles.

With the SPD the EUREKA cry sounds really happy. The party, which had not been on good terms with the French Socialists since the missile discussion is now experiencing an entirely new feeling for Mitterrand. The call for "French leadership" can already be heard, as happened recently at a conference of the

Friedrich Ebert Foundation in Bonn. Even though the CDU is unlikely to succeed in hanging a "Soviet poster" around the SPD's neck, as Willy Brandt had warned, it can certainly be assumed that the German Social Democrats are in the process of painting a "French poster" around themselves.

The "EUREKA" also comes from the heart in the case of the FDP. Foreign Minister Genscher, who does not like the SDI even though he would never clearly say so, has been beating the drum for EUREKA for some time. However, the Liberals are counteracting the impression that the FDP is moving along the SPD course in this respect. The FDP maintains "an undisturbed relationship with the United States," the Liberal General Secretary Helmut Haussmann informed Bonn journalists. With this background a "carefully considered, perhaps skeptical attitude towards SDI is more credible than in the case of the Social Democrats."

The FDP, with its "yes" on missile stationing, can take the liberty of doing a few things, this thesis says in plain language. In the meantime, Genscher does even more. The foreign minister now promotes an entirely new idea, namely the exchange of top technology with the Soviet Union. Last Tuesday he confided in a Soviet visitor, Deputy Prime Minister Yakov Ryabov, that what is important now is to prevent the "technological splitting of Europe."

#### Specific Details Still Scant

Munich SUEDEDEUTSCHE ZEITUNG in German 5 Jun 85 p 11

[Article by Kurt Kister: "EUREKA--Only the Direction Is Known; the Political Motivations Must First Be Linked to Concrete Goals"]

[Text] The latest product of the political shorthand language has skyrocketed for the past few weeks: EUREKA is the talk of the town. Federal Chancellor Helmut Kohl told Francois Mitterrand in Constance that the FRG government is pleased with the project, the SPD sees EUREKA as an alternative to Ronald Reagan's Strategic Defense Initiative and Research Minister Riesenhuber thinks EUREKA could "serve man." Despite this (premature) praise very little is, however, thus far known other than the fundamental goal of the project: Against the background of the challenge from U.S., but also Japanese, research efforts and leads, EUREKA is to facilitate, promote and coordinate close European co-operation in the field of modern technology.

As early as 1984, French politicians headed by State President Mitterrand repeatedly demanded the establishment of a European research agency. The direct motivation for these Paris moves were the increasingly louder questions from across the Atlantic how the European NATO allies felt about cooperation on the U.S. SDI project, which at present is still a gigantic research project. On the one hand, the majority of the governments in Europe considers a joint answer to this U.S. question as necessary and on the other hand neither internationally on the old continent nor nationally in its individual countries is there a consensus on the how to answer such a question. In this situation the French government, which rejects the SDI, proposed in spring the founding of EUREKA, the European Research Coordination Agency.

Thus Paris wants to promote not only the growth of the European common interests, EUREKA is also supposed to represent the umbrella for SDI proponents, opponents and those who are undecided. All participants in the European research project in the opinion of its inventors can expect comparable technical and knowhow gain as Washington promises to the SDI participants. And EUREKA has one more advantage: Because its outlines must first be jointly worked out by the interested states, a controversy on the principal direction of the project should be avoided. Differently from sense and purpose of the SDI--a defense system against nuclear missiles largely stationed in space--the necessity for close European cooperation, thus for strengthening the European economy and competitiveness, is not controversial.

Thus Bonn and Paris are now trying to understand EUREKA as a civilian and peaceful project. In the preparatory talks with the French to date, Research Minister Heinz Riesenhuber, e.g., had the proposal made that EUREKA could in the future be concerned with the development of a high-speed railroad connection between Cologne and Paris or the development of a translating computer for the European languages. The elimination of special garbage or the use of biotechnology to extract raw materials from waste water is part of the cooperation list of the Bonn Research Ministry officials.

Aside from such relatively concrete proposals, there is also much talk about "microelectronics" or "space technology." In view of the fact that it is known that Paris has a strong interest in joint construction of and payment for military communications and reconnaissance satellites, it can be assumed that EUREKA, too, is to leave the civilian paths at least temporarily. Mitterrand himself said a short time ago that "the strategy of the next century will spread into space" and the mentioned satellites are components of the strategy of this century. Both Paris and Bonn are considering what a missile defense of Europe's own would look like and whether it has to be "done" absolutely together with the United States.

#### Risks, Dangers Detailed

Frankfurt/Main FRANKFURTER ALLGEMEINE in German 21 Jun 85 p 3

[Commentary by Klaus Broichhausen: "More State in the Euro-Look; the Drawbacks of 'Eureca'"]

[Text] When Archimedes once again had a bright idea, he exclaimed with delight: "Eureka!" (I have found it.) Such cries of joy were uttered by Foreign Minister Genscher and his French opposite number Dumas since they have devised "Eureca," a so-called technology community for Europe. No one can say precisely what is concealed behind it.

For the first time the outlines of this Eureca [sic; should be Eureka] program were indicated in a letter from Dumas to Genscher: civilian and military projects are supposed to spur each other on mutually in joint European research and development. Paris wants to include space activities in this cooperation, including a weapons system orbiting the earth. There is a plausible reason for such a flight of fancy of joint research and development: By concentration of all forces and by

division of labor in Europe, European industry and science are to maintain their top position and can catch up in some high technologies, so that in the long run the Europeans will remain self-assured and equal partners of the United States and Japan. The Eureka strategists want to provide a strong impetus to the technology push expected from this cooperation from national and common financing sources.

This demand for greater public subsidies for research and development is justified by the assertion that the Europeans must form a counterweight to the extensive state support for the space and armament programs in the United States and by the combination of interests between industry and administration in Japan. The advocates of Eureka moreover expect considerable cost reductions from a European division of labor with additional joint big projects according to the model of Ariane, Airbus or the Esprit research community and from intensive cooperation of European research institutes and enterprises up to and including joint sales.

At first glance, that makes sense; however, there are far too many drawbacks on closer examination. The following serious dangers and risks are hidden in the Eureka program as it is now sketched on the drawing board:

1. Competition as a driving force of technical progress would flag as a result of state-sponsored border-crossing entrepreneur conglomerates. Parallel research should not be deplored as cost-enhancing. It is an element of competition. Industry and science need the competitive pressure which develops from side-by-side research and development.
2. The Eureka project was started with too strong an inclination towards excessive craving for bigness. Even though DM 5 billion is spent annually in the EC for joint research and development, mainly for basic research and big projects (e.g., for space travel), additional big projects emerge, not all of which can be justified. Undoubtedly certain projects must be carried out jointly because they could not be financed by individual countries. However, in the initial phase of Eureka there must be no indulging in big projects.
3. If research and development were massively supported in the European Eureka pool, the subsidy abuse concentrated on modern technology would proliferate even more. There need not be immediate subsidizing for enterprises and institutes to start meaningful product developments and experimental work across the border. Under pressure from the outside since the Japanese offensive and the constant strengthening of the U.S. technological potential, cooperation in Europe makes progress even without state help.
4. Indirectly via Europe state influence on research and development becomes stronger at a time when Federal Research Minister Riesenhuber tries to contain direct support of individual projects and programs that are chosen by officials and politicians. It is disturbing how the state interferes even more in research and development through technology support in the Europe Look and under the label of striving for European unity.
5. If Eureka were to be implemented, French technocrats as perfectionists of investment control would acquire even more influence. The Paris concept of the

jointly organized Europe technology has been revealed by the French proposal, meanwhile rejected by Bonn, to set up an agency for the coordination of European research. It was supposed to be called European Research Coordinating Agency (Eureca for short), whereby the name for the entire program was found. But there continues to be talk, in Bonn, too, of steering committees for the various technology developments within the Eureca program, which gives cause to fear the worst.

6. Even the first tinkering with the Eureca program must make us prick up our ears. Officials in Paris and Bonn had to get together to list all the things that were to be researched and developed in Europe with state support. In this first round, after which Riesenhuber had to straighten out a few things, daring proposals were made. In the Eureca project planning, the fundamental mistake of state support for research is being repeated: politicians and officials presume to know more than all market shares taken together.

7. In the Eureca case, too, it becomes evident that the state increasingly finances near-market developments for which industry is competent beyond the research support that is the state's very own concern (perfect example: basic research). In place of inappropriate direct subsidies for such developments, the state should provide general incentives for the technical innovations, most preferably by leaving enough for development costs to the enterprises through the system of taxation.

The undoubtedly necessary across-borders cooperation could make rapid progress in Europe if the prerequisites for a technological internal market were created by demanding common norms and by a public purchase policy that also takes the neighboring countries into account. In this technologically merging Europe, in final analysis not any national or supranational projects and programs will decide whether or not it is possible to keep in step with the Japanese and the Americans, but the determination of enterprises and scientists to maintain and fight for top international positions.

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POLITICAL

BELGIUM

## PS, TRADE UNIONS REACH COMMON ELECTORAL PROGRAM

Brussels LE PEUPLE in French 12 Jun 85 p 2

[Article by Sebastien de Raet: "PS-FGTB: An Agreement for a Rally for Progress."]

[Text] Guy Spitaels and Jean Gayetot presented a "joint PS-FGTB [Socialist Party (Walloon)-General Federation of Labor (Walloon)] program". Is it the first one? In any event, there is a progressive platform, the outcome of work that was not always easy. But the results are presented today.

To get out of this catastrophic labyrinth where the Martens-Gol venture brought the country. It is high time to get out of it. However, to get out of it one must find a stable base while maintaining respect for the individual and his basic rights, and with a social security system protected from the dismantling where privatization would lead it. The first political party of the French community and the most representative trade union force of that community offer this stability. But they hope however to win over an infinitely broader movement.

The left must put an end to regressive social policy. That is why the trade union is going to be a full partner in the solutions to be found, Jean Gayetot stated. The "economico-social," institutional, and financial program is no longer subject to change, so far as the subjects which have been negotiated are concerned, Guy Spitaels added. Of course that does not mean at all that the debate does not remain wide open: "The progressive regrouping remains fundamental for us; we hope that very many others will rally around the basic PS-FGTB agreement. Including some Christians.

The ECU in view...

The plan is clear: Furnish Regions and Communities sufficient means for action ("in know-how, in men, and in budgets") for restoring balance to the importance of specific policies (economic, social and cultural) in relation to the federal authority: Create at the same time the conditions for maintaining the currency; turn over to the Regions and the Communities complete control over a total amount of money sufficient to make genuine choices of allocation possible; and above all, ensure to them a "return" (in receipts and disbursements) on the effects of the policies that they will carry out; avoid pursuing an "ad hoc" Regions-Communities creation in a few subjects of interest to the north of the country, but at the same time maintaining a

central government controlled by the Flemish majority which is economically very powerful.

Monetary unity? "As part of the objective of the extension of Europe, where the ECU would become the common currency," Spitaels explained. Industrial policy? "Reconstruct the Walloon structures," Gayetot declared, "We want to be open: we want contacts with the Walloon employers and the middle classes, but not with a view toward acting against the world of labor. We want a search for new capacities and modernization, above all within the framework of the public sector."

Institutional procedures? Maintenance of the Walloon Region, of the Brussels Region and the French Community. Hence, no "community-region" fusion...but that does not mean there can be no redistribution of authority between Regions and Communities.

And "Equality" for Brussels

For Brussels?

"Institution of a Brussels Region within democratically fixed limits, with the same autonomy and powers as the other Regions. The federal Pact defines certain obligations connected with the function of Brussels as a "federal capital": the same principle of democratic determination should be applied to the communes on the linguistic border.

"You used to speak about a Brussels of 19 communes" a journalist from the STANDAARD reminded Henri Carpentier of the FGTB.

"I have changed his mind since then,..." interrupted Francois Guillaume, the PS president of the Brussels federation.

And what about the jurisdictions?

The principle is recognition of the sovereignty and full authority of the Regions and the Communities, except for those matters which are explicitly attributed to the federal state. Direct control by the federal authority over the total budget principally involves the functions of control, subsidies to social security and the public sector pensions (around 600 billions). Financing of the Regions and Communities is ensured by an arrangement for distribution of receipts and without increase in taxes. The central government and each Region and Community must undertake a plan for an audit of the current expenses deficit. But obligations previously incurred can in no way be assumed by the Regions and Communities without an equivalent transfer of resources.

A Dynamic of Growth

From the socio-economic point of view, and in response to the retrenchment policy by the Martens-Gol team, ("despite increased unemployment, reduction of wage costs, and 'unprecedented' tax benefits to companies, the de-industrialization process in Brussels and Wallonia has not been stopped;

rather, the holding [companies] have oriented their investments toward increasingly speculative activities, basically turned toward abroad...) one must abandon the deflationary policy and replace it by a new growth dynamic: "The stake is two-fold: modernize the industrial fabric and recreate jobs.

There are three major tools: selective effort to finance the transformation of the productive structures, an industrial policy to promote and finance this transformation, and structural reforms. Such a policy is based on the restoration of a social dialogue, a balanced and enlarged social dialogue. A return to normal indexing [colas] should take place after January 1986..."

The reorganization of public finances and management of the public debt: one must return to a simple system, ensuring stability of standards and carrying out the redistributive role it should never have lost, while the policy of the Martens-Gol government has led to a deregulation of the tax system in an effort to introduce various "compensations" for certain categories of taxpayers. Tax evasion should be combatted.

#### Guarantee Social Security

Guarantee social security: it is a fundamental objective of socialism!

Such are the main lines of an institutional and socio-economic program whose details clearly indicate the lines to follow in order to "change what is possible, and change prudently"; this is a fundamental step after ten years of crisis. This is the gist of the PS-FTGB proposal:

"We shall fight for this text...but that does not mean the negotiation is finished."

And the SP?

Francois Guillaume was especially questioned and said he hoped for the contact, "but the state of mind currently indicated by the SP [Socialist Party (Flemish)] does not permit us to view the future with optimism."

Such is the agreement. It does not cover everything--nothing on "Reaganism and the Star Wars" nor on "the ethic", the "police" or "immigration", but it is a starting point where the broad progressive masses of Wallonia and of Brussels should meet again.

9772

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POLITICAL

DENMARK

#### GOVERNMENT JOINING ZONE CONFERENCE IN CONSENSUS SEARCH

Copenhagen BERLINGSKE WEEKENDAVISEN in Danish 14-20 Jun 85 pp 1, 12

[Commentary by Solveig Rodsgaard]

[Text] Social Democratic Party chairman Anker Jorgensen has the support of the government parties for his proposed Nordic parliamentary congress on the subject of a Nordic nuclear-free zone. The government parties are backing this proposal to show their interest in restoring the broad consensus on Denmark's security policy but there has been no change in their view that nuclear-free zones must be seen in a European context and established with guarantees from both superpowers and for this reason the government parties have set a number of conditions concerning the form, content and date of the conference.

On Monday a committee of 10 members of parliament, two from each Nordic country, will meet to prepare for the conference which will be held in Copenhagen. Anker Jorgensen and Liberal group chairman Ivar Hansen will represent Denmark. Anker Jorgensen wants the parliamentary conference to be held on 27 and 28 October. The government parties do not want the conference held before around 1 December, well after the municipal elections are held on 19 November, and they also feel the conference can be held in a single day. Anker Jorgensen has suggested that the conference be set up on the same distribution basis as Nordic Council meetings, which would call for 87 participants. The Radical Liberals also support this. The government parties are opposed to this idea, mainly in order to avoid confusion between the conference and the Nordic Council, which is not concerned with foreign and security policy issues. But the Social Democrats and the government parties agree that the conference should not issue statements of any kind. With this approach Anker Jorgensen is trying to guard himself against pressure from SF [Socialist People's Party] to make stronger statements than those in Folketing's security policy resolution of 1 November 1984.

Anker Jorgensen's proposal for a conference of Nordic members of parliament on the Nordic region as a nuclear-free zone was supported by Nordic Social Democratic leaders when the joint committee of Social Democratic parties and labor unions met in Oslo on 16 and 17 January. A statement from those attending the meeting, who included Swedish Prime Minister Olof Palme and

Finnish Prime Minister Kalevi Sorsa, also said that the Nordic countries should draw up a plan of action for the establishment of a nuclear-free zone in the Nordic region.

When the Nordic Conservative Party leaders held their annual meeting this year in Helsinki on 11 February the proposed parliamentary conference was one of the items on the agenda. In a statement from the meeting the Conservative leaders said that their parties were prepared to participate in discussing the plans for the conference. In Denmark Prime Minister Poul Schluter then turned the matter over to the chairman of the Conservative Party's Folketing group, Knud Ostergaard.

#### Plan

On 20 March Anker Jorgensen sent a letter to other Folketing group chairmen containing his ideas on the conference and on 16 April the group chairmen discussed the plan. The group chairmen of the government parties had reservations about the date and length of the conference as well as the Nordic Council model. But all group chairmen supported the idea of a preparatory committee consisting of 10 members of parliament, two from each Nordic country.

On 10 May Anker Jorgensen got in touch with party group chairmen in the parliaments of Sweden, Finland, Norway, Iceland and Denmark. He asked for participation at a preliminary committee meeting in Copenhagen on 17 June and outlined the plans he had in mind. Namely that the conference should be held on 27 and 28 October, that it should be set up along the lines of the Nordic Council with emphasis on the fact that it had nothing to do with the Nordic Council, that Folketing speaker Svend Auken should run the conference, that the conference should work as a whole for the most part but that group work on some major issues could be considered, that the introductory speeches should be given by members of parliament or ministers, that a conference secretariat should be set up and that a conference fee of around 1000 kroner should be paid for each participant.

It is this plan of Anker Jorgensen's that will be discussed by the preparatory committee on Monday. Participants at the meeting in addition to Anker Jorgensen and Ivar Hansen will be Social Democrat Erkki Liikanen and Conservative Ilkka Kanerva from Finland, Conservative Jo Benkow and Social Democrat Kjell Magne Fredheim from Norway, Social Democrat Sture Ericsson and a nonsocialist member of parliament whose name has not yet been submitted to the people in Copenhagen in charge of the arrangement, representing Sweden, and Olafur G. Einarsson of the conservative Independence Party and Svavar Gestsson of the left-wing People's Alliance, representing Iceland.

Thus Iceland is not sending a Social Democrat to the committee meeting, which should come as no surprise to Anker Jorgensen. The Social Democratic chairman in Iceland, Jon Baldvin Hannibalsson, has accused his party colleagues in Norway and Denmark in the past of "being confused on security policy issues" and pursuing a policy in conflict with their former policy

and their commitments to NATO. As late as the Nordic Council meeting in Reykjavik in early March Jon Baldvin Hannibalsson rejected intervention from other Nordic Social Democrats in the question of a Nordic nuclear-free zone that included Iceland. "If we discuss nuclear-free zones, we will do so in cooperation with our allies. The Nordic region is already free of nuclear weapons but the nuclear threat to the Nordic region stems from the Soviet Union," he said to RITZAUS BUREAU at that time.

#### Cooperation and Influence

Anker Jorgensen has discussed his plan with the Nordic Social Democratic parties and Knud Ostergaard and the chairman of the Norwegian Conservative Storting group, Jo Benkow, have taken care of contacts with the Conservative parties. Ivar Hansen has not had any contact with the Liberal parties in the Nordic lands.

Knud Ostergaard did not want to participate as a Danish representative at the preparatory committee meeting with reference to his position as chairman of Folketing's special Security Policy Committee.

Concerning the conference itself Knud Ostergaard said that his party still feels that the Nordic region as a nuclear-free zone cannot be discussed in isolation and that it is important to stress that NATO solidarity cannot be broken.

"But since the socialist parties want to discuss this matter and we would like to restore the broad agreement we have had in the area of defense and security policy, we would like to participate in such a conference."

Ivar Hansen also emphasized that a Nordic nuclear-free zone cannot be removed from the security policy context.

"But the government parties' position is that it would be inappropriate if a conference of this kind included only the political left wing in the Nordic countries. We would rather participate and influence the dialogue and we would like to have a dialogue to test various viewpoints."

Ivar Hansen added that it is important that a compromise be reached on the form of the conference at the preparatory committee meeting on 17 June and he rejected Anker Jorgensen's proposal to set the conference up along the lines of the Nordic Council.

#### A Step Forward

Anker Jorgensen said that most people think the Nordic Council model is a good one.

"The distribution model is excellent, since it is not that easy to set up proper representation with the number of parties that exist in the Nordic countries. But of course it must be emphasized that this has nothing to do with the Nordic Council. I also think 87 participants is a good number and

it is not that many when we are talking about having five countries and many parties represented. I also think 27 and 28 October is a good date for the conference. It is not so close to the municipal elections that the conference would have a disturbing effect and it is a fairly long time after the Norwegian and Swedish parliamentary elections in September."

Anker Jorgensen had this to say about the background for suggesting the conference:

"I think grassroots movements, peace movements, environmental movements and so on are an excellent thing. But I think it is equally important for members of parliament alone, without the participation of the general public, to discuss a Nordic nuclear-free zone. This will be a step forward toward bringing the problems down to political reality. No, we are not trying to steal a march on the grassroots and peace movements, but an attempt to supplement their ideas and ours in a way that has something to do with political reality. And even though no statements will be issued by the conference, I do not think the discussions will simply go round and round. I am quite sure that the differences of opinion that do exist will clearly show what people think in individual parties and individual countries."

#### Security Debate

The issue of a Nordic nuclear-free zone has been included in many of the security policy debates initiated by the Social Democrats and the leftist parties during the reign of the four-party nonsocialist government. The most recent Folketing resolution dates from 1 November 1984 and was presented and approved by the Social Democrats with no outside support. The Radical Liberals, the Progressives and the Free Democrats voted against the proposal while the four government parties, the Socialist People's Party and the Left-Socialist Party abstained.

The resolution states: "Folketing instructs the government to work actively in all relevant international organizations to insure that Denmark remains free of nuclear weapons in peacetime, wartime and periods of crisis. Folketing confirms the resolution of 3 May 1984. Folketing is prepared to appoint an interim committee to deal with the government's statement on Danish security policy. Folketing will then go on to the next item on the agenda."

The resolution of 3 May that is referred to says among other things: "Folketing instructs the government to work in NATO and other international organizations to insure that Denmark remains free of nuclear weapons in times of peace, war and crisis by promoting the plans to make the Nordic region a nuclear-free zone in a larger European context. Nuclear-free zones must be guaranteed by the United States and the Soviet Union."

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POLITICAL

DENMARK

# PAPER DENIES NEED FOR NORDIC NUCLEAR-FREE ZONE

Copenhagen BERLINGSKE TIDENDE in Danish 24 Jun 85 p 10

[Editorial: "Nuclear-Free Zone"]

[Text] Recently a prominent representative of the peace movement wrote an article in INFORMATION. It was a soul-searching article which included the idea that the peace movement had a hard time selling itself. How could it acquire supporters for peace in view of the fact that we have peace and have had it for such a long time?

The situation is roughly the same when it comes to the issue of a Nordic nuclear-free zone. How can supporters be won over to an issue that is not an issue at all? The Nordic region contains no nuclear weapons and no one plans to change that fact. It is not part of any peacetime plans to deploy nuclear weapons in Denmark or any other Nordic country. From a strategic point of view it is unnecessary and from a political point of view it is impossible. As far as crises or wars are concerned, everyone knows that there are plans and instructions based on the fact that Denmark, Iceland and Norway are members of NATO. NATO has nuclear weapons at its disposal and if defense is to be effective the deterrent effect on potential aggressors must correspond to their intentions and capabilities. One can debate whether nuclear weapons can be eliminated over a broad front and on a multi-lateral basis that includes all powers. That is a debate that should be carried out and this is being done in the context of international arms control conferences. But this does not give Denmark any reason to take steps in addition to those that have already been taken over many years: pointing out in the proper context that it is a vital Danish interest to get substantive arms control talks under way.

In spite of this all sides have now supported holding a conference on a Nordic nuclear-free zone. A conference is not a binding body. It can listen to arguments, it can discuss things and it can even issue resolutions. But it does not direct Danish or Nordic foreign policy. Conferences are held on a great many things through the years but the decisive difference between this conference and many others is that just holding it could mislead many people into believing that there is reality or could be reality in its subject. Politicians from several parties will participate. They will

give it stature and voters will regard their presence as a guarantee that the topic of the conference is not totally unrealistic but close to the point where decisions are made.

It may be said that the conference can provide a meeting place for people of good will. That is not necessarily the same as saying that it will also be a meeting place for people with common sense.

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POLITICAL

DENMARK

# PRIME MINISTER IN PRAGUE URGES CONVENTIONAL ARMS CUT

Copenhagen BERLINGSKE TIDENDE in Danish 25 Jun 85 p 6

[Article by Michael Kuttner]

[Text] Prague--The prime minister told Czech government leaders that a balance in the conventional area would make Europeans less dependent on the nuclear umbrella.

"If the East Europeans make cuts in their conventional military forces so that there is a balance between East and West in this area Denmark and other countries would be less dependent on the nuclear umbrella of the great powers."

Poul Schluter said this yesterday during a talk with Czech President Gustav Husak before leaving for home with his wife at the end of a 3-day official visit. On the last day of Schluter's first visit to an eastern nation since he became prime Minister he also invited Czech Prime Minister Lubomir Strougal to come to Denmark.

## Opposed to Space Defense

"Respecting human rights will have a much greater effect on international understanding than the removal of a few missiles," Poul Schluter said at a press conference just before his departure. It has attracted attention in the course of the visit that the prime minister has stressed respect for human rights more clearly than any other western leader.

At the press conference Poul Schluter was asked by Czech TV what he thought of President Ronald Reagan's so-called star wars plans, SDI--a research project that has been sharply rejected by the Soviet Union and other East bloc countries.

Schluter started off by asserting that "the Soviet Union has quite naturally been carrying out research for many years into how a space defense could be built up that would make it totally or partially impossible for hostile machines to reach Soviet territory for the purpose of destroying it.

"President Reagan is thinking of something along those lines," Schluter said. "But," he stated, "I am opposed to these plans for two reasons. In the first place I do not believe such projects can be sufficiently effective or reliable. In the second place they are too expensive. Such plans require the investment of billions on both sides and the money could be used in more sensible ways."

#### Arms Reduction Plan

The prime minister revealed that in his talks with President Husak and Prime Minister Strougal he had introduced "a new idea" instead.

"If we could achieve a reduction in the conventional defense area in Europe it would make us less dependent on the nuclear umbrella. One can discuss which great power has the most nuclear weapons," Schluter continued. "But the Soviet bloc is clearly superior in the conventional area. And that is not necessary. Parity should be enough."

The prime minister called such a conventional arms reduction plan "perhaps a 10-year project" that "could make it easier for the western countries to accept their independence from the terrible nuclear umbrella."

In response to a question from a correspondent for the East German news agency ADN Schluter said that he would like to see "a secure agreement on a Nordic nuclear-free zone, especially if this zone can be extended down through central Europe and as far as possible on both sides of the dividing line."

"But," the prime minister emphasized, "I do not think such zones provide genuine and reliable security. The zone concept is too limited. In addition I do not believe that if there was a really catastrophic war the great powers would be so obliging as to avoid the Nordic countries just because we have declared a Nordic nuclear-free zone. That sounds like a Hans Christian Andersen fairy tale."

On the cultural side the prime minister has repeatedly shown great interest during his stay in Czechoslovakia in the historic past of this nation and its neighbors--a past that still greatly affects them. Danish delegation sources had the impression that during the visit Poul Schluter was urged to concern himself more with eastern Europe than he has in the past. Hungary is named as the most likely destination for the prime minister's next visit to eastern Europe.

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POLITICAL

GREECE

# EC POLL MEASURES GREEKS' REACTIONS TO EUROPEAN ISSUES

Athens TO VIMA in Greek 12 Jul 85 p 3

[Excerpt] The Greek people are perhaps even more European than it seems. One has only to take a look at the results of the Eurobarometer (survey of public opinion in all countries of the European Community that is conducted every fall and spring since 1973 on the initiative of the EEC Committee) to form a first opinion. This particular survey was conducted between 14 March and 22 April 1985.

In principle, the Greek people are not so satisfied with their lives. It is not known if "complaining" constitutes a national game and yet only 67 percent of our compatriots stated that they are more or less satisfied with their lives while 33 percent are less or not at all satisfied. Things are slightly better than in the corresponding period of 1984 (65 percent satisfied). On the other hand, our European partners are clearly more optimistic: 95 percent of the Danes, 92 percent of the Luxembourgers and 90 percent of the Dutch feel that they are getting along pretty well. They are followed by 83 percent of the British, 84 percent of the Germans, 81 percent of the Irish and 84 percent of the Belgians. The French are a bit lower (76 percent), while only the Italians are our competitors in "complaining" (67 percent are more or less satisfied).

On the other hand, we are very satisfied with our democracy. Indeed, if we recall that the period during which the survey was made (14 March-22 April) was brimming with various developments (presidential election, announcement of the parliamentary elections, etc.) then satisfaction from our political system is truly impressive: 59 percent of the Greek people are more or less satisfied with the functioning of democracy in our country and only 33 percent show little or no satisfaction.

The only ones more satisfied than we are are the Danes (68 percent), the Germans (73 percent) and Luxembourgers (72 percent). On the other hand, only 25 percent of the Italians show the same satisfaction on the functioning of their democracy, as do 44 percent of the French. Falling behind us are the phlegmatic British with 51 percent satisfied and 43 percent less or not at all satisfied with the oldest parliamentary system in the world.

Where we are less satisfied is our entry into the EEC. Forty-nine percent of the Greek people think that our country benefited from our entry while 26 percent have the opposite view. Only the British, Danes and Germans have a worse opinion than ours over the benefits derived from the European Community.

This evaluation, of course, has its effects since only 45 percent of the Greek people think that the Community is a good thing, 26 percent seem rather indifferent, while 17 percent have a negative view. Despite all of this, however, we continue as a whole to have a better opinion on the Community than the British or Danes.

Despite all of this, however, the plan for European Political Union does arouse some interest since 46 percent of the Greeks are for it. Only 11 percent declare that they are against it, while 43 percent either say their are indifferent or have no opinion. In fact, on this issue we are clearly more favorable to the issue than the Germans of Mr Kohl (42 percent for and 13 percent against) --who supports the plan-- and much more in favor than its "traditional opponents": the British of Mrs Thatcher (just 23 percent in favor), the Danes (16 percent) or even the Irish (38 percent for).

Let alone that we consider (at least 76 percent of us who line up in favor of the plan) that the European Political Union cannot take place without us. The peculiar (?) thing is this opinion of ours does not appear to be shown by other Europeans.

Thus, only 29 percent of the whole feel that political union will have no meaning without Greece. And only in one country --Luxembourg-- 52 percent of its citizens think that we are indispensable to all that ensues. The Irish (only 9 percent believe that we are indispensable) and the British (13 percent) give us the least consideration.

We may not be on the best of terms with the European Community but we do have a very positive view of the European Parliament. Forty percent of the Greeks have a good opinion while 25 percent a rather poor opinion. Only Italy finds the Council of Strasbourg more defenders (52 percent). Let alone that 60 percent of the Greeks desire a greater role for the European Parliament, a view that is shared by only 40 percent of the British and 12 percent (!) of the Irish. More ardent supporters of the expansion of the role of the European Parliament are the French (69 percent want a more significant role for it) and, of course, the Italians (72 percent).

What is going on with the two new members, Spain and Portugal? As much as it may seem unusual we do not want them too much. Forty-two percent of the Greeks are for Spain's entry into the EEC while only the Danes (40 percent) are less enthusiastic than we are.

In favor of Portugal's entry are 41 percent of the Greek people. In other words, we succeed in proving more "hospitable" than the Danes (40 percent) only.

#### Greek Public Opinion in the Spring of 1985

1. Seven in 10 Greeks are satisfied with their lives. The corresponding average in the Community is eight in 10 Europeans and the Greeks are included with the French and Italians in being the least satisfied.

2. Six in 10 Greeks are satisfied with the functioning of democracy. The corresponding average in the Community is five in 10 Europeans.

3. Six in 10 Greeks are in favor of the abolishment of checks and controls and legal formalities at intra-community frontiers. The same ratio holds true for the entire Community, while it is noteworthy that only three in 10 British share this view.
4. Eight in 10 Greeks are in favor of the creation of a European legal system. In the overall Community, nine in 10 Europeans are in favor.
5. Six in 10 Greeks support the unification movement of Western Europe. The corresponding Community percentage is eight in 10 Europeans.
6. Five in 10 Greeks think that their country has benefited from its participation in the European Community. The same ratio holds true for the overall Community. It is characteristic that only three in 10 British have this view.
7. Five in 10 Greeks feel that the participation of their country in the European Community is "a good thing." The corresponding average Community ratio is six in 10 Europeans.
8. Four in 10 Greeks express themselves as being in favor of Spain's and Portugal's entry into the Community. The corresponding Community percentage is higher, six in 10 Europeans are for.
9. Eight in 10 Greeks, who express any opinion, are in favor of European Political Unity. The corresponding Community percentage is lower, seven in 10 Europeans. Nevertheless, four in 10 Greeks are either indifferent or do not give any answer, while the same ratio holds true for the Community as a whole.
10. Five in 10 Greeks feel that the European Political Union must move forward even without the countries who do not agree. The corresponding Community ratio is four in 10.
11. Eight in 10 Greeks feel that Greece's participation is necessary for European Political Unity to have any meaning. Only three in 10 Europeans, however, share this view.
12. Five in 10 Greeks say that they have heard or read something recently regarding the European Parliament. The corresponding Community average ratio was six in 10.
13. Four in 10 Greeks have a "good impression" of the European Parliament, while only three in 10 Europeans agree with this.
14. Five in 10 Greeks believe that the role of the European Parliament is important. The same holds true for the average European.
15. Six in 10 Greeks hope that the European Parliament will play a more significant role. Six in 10 Europeans concur in this.

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POLITICAL

GREECE

ALBANIA REPORTEDLY EAGER TO END STATE OF WAR

Athens PONDIKI in Greek 12 Jul 85 p 5

/Text/ This matter regarding talks between Greece and Albania over the placing of stone markers that would delineate the frontiers (the military protocol on cooperation was signed the day before yesterday), has much more substance than meets the eye. This is so because the placing of these small stone markers means not only a delineation but a recognition of frontiers!

Consequently, it indirectly but most clearly means that a delineation of frontiers and "a state of war" cannot coexist, something that means that the two governments have decided to create certain "precedents" or "given facts" so that the lifting of the state of war situation might come about calmly.

It is known that it is the Greek Government's problem. Tirana not only wants but has been pressuring Athens to officially lift the state of war situation. However, since there is opposition to this by the followers of /Metropolitan of Ipeiros/ Sevastianos, the various Northern Ipeiros organizations and the somewhat extreme rightist types such as ENEK /Union of Free Socialists/ it was decided that some situations would be created that through the nature of things would abolish the state of war situation so that its official lifting might come about calmly without much noise.

PONDIKI, true to its word, insists that the state of war with Albania must be lifted so that we can bring this pending problem to an end....

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POLITICAL

GREECE

#### CONFLICTING GROUPS REPORTED WITHIN PASOK

Athens AKROPOLIS in Greek 19 Jun 85 p 7

[Excerpts] Now that PASOK's celebrations and the explosions of joy for the unexpected--even for the majority of its cadres--electoral triumph have abated, the governing party finds itself once again facing its problems. These problems are both intra-party and of governmental policy that had been placed 'on hold' during the entire preelectoral period.

The majority of the members of PASOK's Executive Office, strengthened within the party by the successful, for their faction, outcome of the electoral battle, show it clearly because they do not wish once more to experience the "anxiety" they felt when faced with the specter of an electoral defeat. They are trying to convince the "Kastri" [Papandreou's faithful] faction not to repeat the disastrous mistakes of the recent past.

In the meantime, the renewed, at least psychologically, Mr. Papandreou has shown ever since dawn on 3 June that he disagrees with the caution of his collaborators and showed signs of renewed arrogance. This resulted in the appearance of new signs of unreliability and inconsistency (statement of the premier about a 10-member cabinet that the following day became a 19-member one, the violation, without reason, of the constitutional requirement for the new government to appear before the Chamber of Deputies within 15 days, at the most, after having been sworn in, etc.). The repetition of the premier's call for a "government of all the Greeks" is confronted, for the time being, only by the people's hilarity.

#### Pyrrhic Victory

In any case, while the government, as Mr. Papandreou indirectly admitted, is "barely functioning," the Executive Office of PASOK meets almost daily in the main offices of Khar. Trikoupi Street without its chairman being present.

According to reports, two important matters are being discussed during the continuous meetings of the Executive Office: the shaping of the new governmental policy in combination with the final formation of the "streamlined" cabinet and the development of the party apparatus, which has been in a state of lethargy since 1981, a development, however, that will not interfere with the government apparatus.

Of course, the Executive Office, according to PASOK's statutes, also shapes its suggestions to the members of the Central Committee with the above points as a focal point as well as what Mr. Papandreou will say at the Chamber of Deputies during the statements on the plans of the government.

According to reports, it was decided to hold the meeting of the Central Committee on 6 and 7 July with a view to neutralizing eventual reactions to the planned "government's change in policy."

Of course, according to assessments, the battle of the intra-party "factions" will not manifest itself openly at the summit of the Central Committee because, after the temporary truce of the elections, it is coming back just as intensely. This because the known "factions" of PASOK undermine themselves under the surface and not openly, and actually in the presence of the premier.

Anyway, the "Laliotis faction" is, at present, strengthened within PASOK. Mr. Laliotis is considered as having been the "architect of PASOK's victory" because, having carried exclusively all of the weight of the very difficult pre-electoral struggle, he succeeded in responding to the climate of polarization with very sharp attacks on the Right and on the Left and tried to present as the government's, many works which were actually initiated by the EEC or ND instead of slinging "mud" at Mr. Mitsotakis and, finally, he foresaw that, with PASOK's positive pre-electoral policy, it would obtain the results that it actually did obtain. Now, Mr. Laliotis will be assigned to the "revitalization" of the party apparatus and the "Movement's" propaganda.

#### Blackmail Climate

On the other hand, the "Koutsogiorgas faction" is considered within the party as having been "defeated" in view of the fact that its "opponents" within PASOK accuse the minister of Interior of proposing to have no preelectoral comparison of the government's work with that of the "Right." In the meantime, Mr. Koutsogiorgas considers himself as having been "dumped" in view of the fact that he was not offered another ministry (Public Order or Justice) as he had requested and he finds objection to PASOK's having won the elections thanks to the polarization and the climate of psychological blackmail of the voters, especially in the provinces, as he himself had proposed.

In the meantime, political observers speculate that the self-restraint of the other cadres and, naturally, the calm shown by ND, prevented a general blood-letting in the countryside because local cadres of PASOK, imbued by Mr. Koutsogiorgas' beliefs, threatened, terrorized and even used violence against their opponents.

There is always the "Gennimatas faction," which, for the time being, prefers to wait on the "sidelines" so as not to be ruined by the mistakes of the leadership and the factional war in general, presenting itself as a future alternative solution.

While the "Tsokhatzopoulos faction" has lost even the few supports it had within the party because it is believed that its contribution to the "Movement's" victory was minimal. It was strengthened, however, after the elections by Mr. Papandreou for reasons of "intra-party balance."

POLITICAL

GREECE

#### PASOK DIFFICULTIES IN PARTY-GOVERNMENT RELATIONSHIP

Athens TO VIMA in Greek 23 Jun 85 p 5

[Excerpts] At least one of PASOK's pre-electoral promises appears to be reaching the point of becoming reality: the people will enjoy their vacations at the beach. Our countrymen have already learned the plans as stated by the government and on 1 July they will learn for certain the new governmental structure because the bill for the restructuring of the cabinet will have received the go-ahead from parliament. Thus, without any gaps in their information, they will be able to rush to the beaches and the seashore to get their tans.

Everybody? No. The hopeful "ministers-to-be," "the presidents-to-be," and the "secretaries-to-be" will remain in the Athens heat and, from all appearances, will view the ocean from afar, on July 25, for the swearing-in of the government to be followed by the various secretaries, presidents of organizations, etc. By then it will be Fall!

However, even those who do depart on their vacations will do well not to forego their daily information. PASOK's Central Committee will meet in early July and, by the end of the month (with the new cabinet, the secretaries general and personal secretaries and anything else that may come up), we will then have clear knowledge of the "men of the second 4-year term."

Both the meeting of the Central Committee and the men of the "second 4-year term" will give us a first indication of what is about to occur in another area, that of the relationship between party and government.

Ever since 1981 there has developed a reciprocal infiltration between party and government apparatuses. This reciprocal infiltration was primarily the result of the objective conditions that PASOK faced when it took over the government. At some point, however, it lead to a transformation into a state of mind and a way of exercising power.

These objective conditions are related to the very nature of the government apparatus in Greece. The one-party structure of the government, based on cronyism, is an old phenomenon in Greek society. This government is counterproductive, arteriosclerotic and antiquated.

On 18 October 1981 when PASOK came into power it was understandable that it did

not have any support within the governmental apparatus. Not because it is legitimate and indispensable to have support in the government in order to govern (something like that would be unheard of in Great Britain), but because when one has to contend with cronyism and a counterproductive state apparatus one cannot govern otherwise. Even more so because PASOK often had to face the cover enmity, the mistrust or the lack of willingness to cooperate by the so-called "service officials."

However, the initial "heroic times" of Change have passed, the "faithful" remained (demonstrating, as a matter of fact, as is understandable, some tendencies for proliferation) and the solutions from what was available during the first period tend to change into a method for exercising and, primarily, into a state of mind.

This reciprocal infiltration is evident from the composition of the party organs that were the result of the First PASOK Congress. If we take into consideration the time of their election to the party organ to which they belong, we will see that:

All the members of the Executive Office (with the exception of Mr. I. Alevras, who, however, was president of the Chamber of Deputies) were part of the government operation (ministers, deputy ministers, presidents or administrators of organizations);

Of the 140 members of the Central Committee 70 are holding some government position;

The same is true for approximately one-third of the secretariats of the directive committees of the movement.

In other words, the participation in running the government had already been transformed by 1984 into one of the principal, strong fabrics and factors of the homogenization of the highest party organs.

This reciprocal infiltration had negative repercussions within the party apparatus not only because the management of the government drained away the best party cadres (with the result that the party went through periods of actual underwork and inactivity), but mainly because, in seeking to transform itself into a "party in power," PASOK chiefly became a "government party."

The difference (or deviation, if you will) is substantial: the cronyism cannot be revoked. The cronyism relationship is simply moved from the local political factor to the party. It may become more "impersonal," therefore, more of an open procedure, at the same time, however, it is also more "absolute." The most significant thing perhaps is that this reciprocal infiltration, by perpetuating cronyism, in the end weakens the political and social vision of the Change in view of the fact that it gives to it some "association character."

The matter of the government-party relationship is to be found today at the core of the concerns of PASOK. And this because it concerns the future of the government and the future of the party itself, which is in search of some political role of its own.

The idea of a "division of tasks" and a "separation of the government-party" appears to be gaining ground. Even more when many in PASOK have a full understanding of what is being risked.

"We will not allow the party to develop into a string-pulling apparatus," a top cadre said recently.

Beyond the "symbolic character," however, which a separation can take on the Executive Office level, there is a problem of a substantial change of the mentality reaching even the lower echelons of PASOK. As there is also a problem in the selection of cadres that staff the apparatus of the state. After 4 years of administration, party loyalty cannot still be considered a valid and sufficient advantage. There is a need for us to remember the ever-timely (in such matters) Deng Xiaoping when he insisted that "black cat or white cat, the good cat is the one that catches mice."

9731

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12 August 1985

POLITICAL

GREECE

## SLIGHT SIGNS OF RAPPROCHEMENT BETWEEN KKE'S NOTED

Athens TO VIMA in Greek 10 Jul 85 p 3

/Article by Nikos Khasapopoulos; passages between slantlines printed in boldface//Excerpts/ After almost 15 long years, the two communist parties began a dialogue yesterday through the initiative of journalists. This unusual get-together between the two communist parties was facilitated by the neutral grounds of the Chamber of Deputies and the insistence of the journalists to act as a bridge between Kh. Florakis, KKE secretary general, and Leonidas Kyrkos, president of the KKE (Int.).

The reaction of both sides to questions on possible cooperation and continuous dialogue was...in all likelihood positive. Both Mr Florakis and Mr Kyrkos did not reject an exchange of views, even at a distance, but they remained intransigent on one and only issue: /the name of the KKE (Int.) / which Mr Kyrkos considers as being a given fact and historically justified, while Mr Florakis considers it as the /sole impediment/ to the beginning of direct talks. In other words, from what it appears, the KKE has no objection to sitting down at the same table with the KKE (Int.) in case the latter were to change its name. The KKE (Int.), however, defends its current name without, however, focusing on this formal element on the creation of conditions for dialogue with the other side.

The delay in the meeting of the Ministerial Council (it began about an hour late) also brought about delays in the prime minister's meeting schedule.

And since a half an hour does not go by easily, Mr Kyrkos sat outside the prime minister's political office (from which Mrs Kokkola came out to greet him) and /started talking with journalists./

The /"news"/: The president of the KKE (Int.) made a significant "overture" to the Soviet Union and since many may not have recently observed that /I AVGI/ was reserving /"special treatment"/ to /Mikhail Gorbatsov/, he hastened to attribute to Gorbatsov /"a quick mind and acute perception." /

The "compliments" were also extended to the new Soviet minister of foreign affairs who was described as /"cool"/ and one of those who "weigh all factors before coming to a decision." Mr Kyrkos said /there is a new group of men in power in the USSR/ who could provide a new impetus and another kind of spirit.

At this point, /Mr L. Kyrkos/ was asked about /possible cooperation with the KKE./ Smiling, he answered by quoting a popular proverb, namely that /to have a wedding you need to have the consent of both parties"/ without, however, acknowledging that /"there is today some love affair."/

Shortly before Mrs Angela Kokkola informed him that /"the prime minister would receive him,"/ Mr Kyrkos did not rule out the possibility of /"possible unity"/ between the two communist parties.

Of course, as soon as the journalists met with /Mr Florakis/ they did not lose the opportunity to /tell him of Mr Kyrkos' views/ over possible cooperation between the two communist parties. Mr Florakis' reaction? He smiled and said the following:

/"With regard to unity, this is ruled out. With regard to cooperation, there must be certain preconditions. Each should assume its own title and name. This is no simple matter but it is substantial. This is the issue and there is no other one. From there on you can work together when you agree. The title creates confusion and keeps the issue of the split dominant for so long a period with the result that many think that the split had just occurred the other day. Besides, it is not the first time that there has been a split among parties."/

In answer to a question as to whether the KKE would work with the KKE (Int.) in case the latter were to change its title, Mr Florakis said, /"I don't know."/

#### Exchange of Views on the EEC and the Cyprus Question

The EEC and the Cyprus question dominated yesterday's meetings between Prime Minister A. Papandreou and Mr Kh. Florakis, KKE secretary general, and Mr L. Kyrkos, KKE (Int.) president. This, of course, does not mean that they "did not exchange views" on a few domestic issues.

The meetings lasted for about 45 minutes each. Leaving the prime minister's office, Mr Florakis asked for a "public commitment" by the government on its policy vis-a-vis the EEC.

He said, "The government has to publicly proclaim a defense line and beyond that nothing else." Indeed, defining this "line," Mr Florakis stressed that the government must not "move outside of the Treaty of Rome."

On the veto issue, the KKE secretary general was even more specific; The "defense line" for him means that there must be no "lifting or alteration of the meaning of the veto." He added that he was putting special emphasis on this because the government view "we are against the abolition of the veto does not cover the case of a limitation on the use of the veto."

With regard to the Cyprus question, the KKE secretary general noted a "more active role" by the United States, even though he believes that the United States cannot help in a just solution in Cyprus or in the Greek-Turkish dispute. He said the United States is simply getting mixed up in this so as to provide its own "solution" with tradeoffs being such things as the maintenance of bases.

According to Mr Florakis, he did not bring up the issue of changes on television with the prime minister. He, nevertheless, described as "a positive step" the announcement of a legislative change, as well as the other day's changes in television time for political parties. He added, it suffices that we will not be surprised when the legislative change comes about.

On the issue of the "veto," Mr L. Kyrkos was somewhat more conciliatory.

The KKE (Int.) president said that the veto must not "be used in an absolute manner but must be examined each time specifically." He added that it does not come up anywhere as a matter of principle but "the matter is who promotes it and why he promotes it."

Indeed, he noted that up to now it has been used by the big powers to promote their own interests and that the Greek veto last December was in answer to Britain's veto.

According to Mr Kyrkos, the prime minister brought him up to date on the Community and Mr Pangalos informed him about the preparations for the inter-governmental conference in which Greece will participate.

The KKE (Int.) president proposed the formulation of a "national strategy" on the issue of European unification and pointed out that Greece must not be alienated from European integration but it must bring up its own issues there.

Mr Kyrkos also brought up to the prime minister the issue of the presence of his party in the Chamber of Deputies and on television where he believes that he was given "discriminatory treatment." According to Mr Kyrkos, the prime minister promised that he would examine these matters and that in principle he is confronting them in a positive manner.

5671

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POLITICAL

GREECE

SECURITY CORPS PREFERENCES REPORTEDLY ON RIGHT

Athens PONDIKI in Greek 14 Jun 85 p 8

[Text] The tradition continues: the policemen of the Security voted and vote for the Right! Here is what a first reading (dedicated especially to those who should know) of the electoral results at certain voting precincts where the Security men voted indicates the following: (the corresponding results in 1981 are in parentheses)

190th: ND 263 votes, 51.16 percent (142 votes, 39.5 percent); PASOK 167 votes, 32.49 percent (133-37 percent); KKE 48-9.33 percent (38-10.2 percent); KKE (Int.) 28-5.34 percent (14-3.89 percent).

191st: ND 268-54.8 percent (143-42.4 percent); PASOK 144-29.44 percent (120-35.60 percent); KKE 28-5.72 percent (38-11.2 percent); KKE (Int.) 25-5.11 percent (12-3.56 percent).

192nd: ND 273-52.5 percent (130-37.35 percent); PASOK 170-32.69 percent (141-40.5 percent); KKE 44-8.46 percent (31-8.9 percent); KKE (Int.) 26-5 percent (15-4.31 percent).

193rd: ND 289-54.32 percent (119-40.61 percent); PASOK 174-32.7 percent (110-37.54 percent); KKE 33-6.2 percent (31-10.58 percent); KKE (Int.) 23-4.32 (8-2.73 percent).

194th: ND 294-54.85 percent (142-41.15 percent); PASOK 169-31.52 percent (126-36.52 percent); KKE 40-7.46 percent (31-8.98 percent); KKE (Int.) 19-3.54 percent (12-3.47 percent).

195th: ND 285-54.7 percent (180-46.39 percent); PASOK 169-32.43 percent (134-34.53 percent); KKE 33-6.33 percent (26-6.7 percent); KKE (Int.) 27-5.18 percent (11-2.83 percent).

196th: ND 276-53.69 percent (130-40.88 percent); PASOK 189-36.77 percent (114-35.84 percent); KKE 25-4.86 percent (32-10.6 percent); KKE (Int.) 19-3.69 percent (8-2.51 percent).

199th: ND 277-51.1 percent (170-49.41 percent); PASOK 193-35.6 percent (120-34.88 percent); KKE 30-5.53 percent (14-4.06 percent); KKE (Int.) 30-5.53 percent (14-4.06 percent).

203rd: ND 298-52.55 percent (132-40.74 percent); PASOK 178-31.39 percent (125-38.58 percent); KKE 38-6.70 percent (24-7.40 percent): KKE (Int.) 36-6.34 percent (15-4.62 percent).

Conclusion? "Black is the night on the mountains ... [popular folk song words]-- something akin to "Why waste the effort?"

9731

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POLITICAL

ITALY

FORMICA ON PROSPECTS OF PCI-PSI 'THAW'

PM100931 Rome L'ESPRESSO in Italian 30 Jun 85 pp 14-16

[Interview with PSI lower house floor leader Rino Formica by Maurizio de Luca and Giovanni Valentini in Rome; date not given]

[Excerpt] Rome--[PCI lower house floor leader] "Napolitano was courageous, very courageous. Not only because of what he said, but because he said it publicly. For the first time the PCI has broken away from the custom whereby agreement or disagreement are determined within the decisionmaking forums. His stance is not a splittist or factionalist one, however. He confined himself to asking questions and seeking answers, to stimulating the entire party," Formica said.

Question: In your opinion, is this enough to reopen the dialogue on the left?

Answer: No, it is not enough. When Napolitano acknowledges that the PSI was quick to grasp the problems of a changing society, he is right, but that is not the whole story. The fact is that the Communist Party not only failed to grasp these problems but actually had little desire to grasp them. This communist deafness to the PSI was later joined by an inability to perceive the three fundamental issues that we promptly raised--the grand [institutional] reform, the birth of the new right, and the decline of the parallel centers of power.

Question: Let us start with the grand reform. It has been regarded on many sides with mistrust and suspicion, as the manifestation of a spreading authoritarianism.

Answer: This is not so at all. The socialist party raised the issue of advancing our country's order toward a more highly evolved form of democracy. The PCI failed to understand that the grand reform benefits the left more than the right because, in a system blocked by the merger of majority and opposition which makes decisions impossible to reach or implement, the conservatives may not grow but they will certainly not suffer losses. The left, however, always loses, because it loses its future prospects. The controversy with us over the supposed plan for an authoritarian transformation is an absolute fabrication, a mystification which conceals a lack of goodwill and a backward cultural attitude.

Question: What about the new right? Since you started talking about it, drawing attention to a combination of political and financial interests, has this alignment which you describe as the broad conservative bourgeoisie grown?

Answer: The new right is composed of all the moderates who are modernizing themselves and occupying the space left vacant by the left's weakness as regards reform. So there should be no surprise if even liberal areas have been involved. Owing to its cultural provincialism the PCI has made the mistake of accepting instead of combating this new right, pointing to it as a force with which it is necessary to conduct a dialogue or even come to terms.

Question: You said that the third major issue concerned parallel centers of power, but what does the PCI have to do with their decline?

Answer: In this context the Communist Party has pursued scandal directed against an individual political adversary instead of asking why this scourge exists in the first place and where it thrives. It certainly thrives within the decline of our political system, our country's incomplete democracy. It is the fragmentation of the state that makes Italian society ungovernable. But the Italian left does not discuss these topics because the PCI refuses to face them, for fear of losing a more comfortable position and the advantages that it is sure it will derive.

Question: On the basis of this analysis, how much credibility can one grant to an overture by the PCI such as that sought by Napolitano?

Answer: I believe in it for the following reason--because the punishment of history is so fierce and painful, as shown by the referendum, that the PCI will have to come to terms with reality. In my opinion the Communist Party has other lessons to learn from events. This is precisely why I am against heaping verdicts and condemnations on the PCI, because they will cause it to stiffen its stance and close in on itself. In order to rouse it, we must bombard it with questions.

Question: But do you believe that the PSI is entirely without blame for this lag on the left's part? Do you not bear some responsibility for it too?

Answer: Our major error was to believe that it was enough to define the principal issues, as though they would resolve themselves. Good intentions and great ideas cannot succeed without the strength of support needed to carry them through. The problem is that the socialists' political struggle within the left could not be confined to a physical breakthrough but had to amount to a mental, ideological breakthrough. If the PCI now accepts--very belatedly--that a left divided between government and opposition is not the end of the world and admits that one cannot talk in terms of a betrayal, then it means that a major step forward has been taken on the road to a thaw. For its part, the government left must realize that it will always remain a reformist minority within the moderate area unless it succeeds in achieving the ideological breakthrough within the opposition left.

Question: But this strategy has hitherto encountered a major obstacle in the so-called ethics issue: The PSI has frequently appeared to be a party of self-interest, a party within which many think more about themselves than about political activity....

Answer: The ethical issue, taken up by the Communist Party as a symbol of its diversity, does not go beyond a statistical analysis of the phenomenon. The number of cases is counted and a value judgment on each political force is issued on the basis of the relative distribution of corrupt members. This is an erroneous method. Among parties conflict or the quest for alliances take place on policy lines, on ideological similarities or differences, on practical agreements or disagreements. Cases of corruption concern individuals. To extend this into the parties' objective responsibilities serves only to attack and brand a political force; it does not get to the root of the phenomenon of corruption....

Question: It is nevertheless a fact that when a phenomenon affects several individuals and prompts repeated action by the judiciary....

Answer: The communists themselves have recently condemned the use of judicial methods as an instrument of political struggle. The PCI's grave error in this regard was recently admitted--very belatedly--by a Turin parliamentarian, Senator Libertini. This preliminary observation of mine is intended neither to absolve nor to justify. It is no problem for us to admit that there is often a link in the political system between business and politics and that the ranks of the careerists and the unscrupulous are not diminishing. But, unless we attack the causes, we risk confining our sermon to the symptoms. I believe this is what Napolitano meant when he asked in his interview with L'ESPRESSO that preconceptions about the ethical issue be abandoned.

Question: But, just as it has raised the other major issues, a modern government force must deal with the ethical issue too....

Answer: A democratic system without change hinders supervision and blurs transparency. This creates ever broader areas of moral exemption and protected immunity.

Question: In order to prepare for and facilitate such change, however, the socialists cannot regard their alliance with the DC as strategic and permanent.

Answer: The present government alliance is the best possible balance in view of the processes of evolution of the Italian political forces. The duration and health of this alliance will not be influenced solely by what happens within the confines of the government coalition. A considerable--and in some respects crucial--influence will be exerted by the PCI's process of internal revision.

CSO: 3528/86

POLITICAL

NETHERLANDS

# INCREASING SURINAMESE EMIGRATION TO NETHERLANDS

Rotterdam HET VRIJE VOLK in Dutch 19 Jun 85 p 5

[Article by Nico Polak: "New Exodus from Suriname"]

[Text.] Amsterdam.--"There are millions of Surinamese guilders floating over the Dutch market." That is how a representative of Grenswisselkantoren N.V. excused himself yesterday afternoon for the fact that his company, in setting the exchange rate, is offering only 60 Dutch cents [100 cents=1 guilder] for the Surinamese guilder, which officially is worth 1.95 guilders.

Anyone who wants to exchange Surinamese guilders at that rate will have to wait until he is in Suriname. Anyone on the other hand who wants to buy Surinamese guilders can acquire them in any quantity for 85 Dutch cents. As recently as a few weeks ago the price of the Surinamese guilder was 100 Dutch cents on the open market in the Netherlands.

The cause of this dramatic fall in the exchange rate is the fact that in recent weeks hundreds of Surinamese businesspeople have emigrated to the Netherlands via Air France's Cayenne [French Guiana]-Paris line, taking the rest of their capital with them. In the open money markets in Amsterdam, Rotterdam, and The Hague there is a glut of Surinamese currency, bought up by racketeers.

"Rip deals" [English in original]—robberies—are the order of the day, according to representatives of the Surinamese community. Only a small portion of these come to the attention of the police, since the victims are here illegally for the most part and thus cannot afford to report the crimes. The Amsterdam Police do not know how to cope with the problem and wish to turn it over to the Criminal Detective Investigation Service (C.R.I.) in The Hague. This will come up for discussion in The Hague in the near future.

Air France reports that about one quarter of its passengers on the Cayenne-Paris route--two flights a week with Boeing 747's--are Surinamese. They can take Surinamese currency with them in any quantity. For this new Surinamese exodus to the Netherlands the French airline has introduced some special services. Surinamese passengers from Cayenne can, for the small sum of 300

Dutch guilders, fly on from Paris to Schiphol. A special taxi service brings them from Saint Laurent on the border with Suriname to Cayenne for 80 guilders per person.

"We are hoping to put an end to the rip-off prices that are sometimes charged there," says an Air France spokesman.

"We know of course that an important reason why Surinamese passengers fly with Air France is the fact that they avoid the Surinamese airport Zanderij and thus are not checked by Surinamese customs as to how much money they have with them." Rumors that Air France wants to increase its flights to Cayenne to three could not be confirmed by the spokesman.

#### Pistol

The lively criminal trade in Surinamese currency first came to light in October of last year on Loosduinseweg in The Hague, where an unofficial "money exchange" was attacked by three armed and masked men who took tens of thousands of Surinamese guilders, Dutch guilders, and U.S. dollars. The victims were Surinamese.

On 28 May of this year another incident occurred in the Staatsliedenbuurt in Amsterdam, where the 22-year old Surinamese J.B. was robbed of 37,000 Surinamese guilders. He had offered to sell them to the 28-year old Surinamese E.R.K., who had lured him to this address.

A third incident took place on 12 June on Otteliusstraat in Amsterdam-West, where the 27-year old Surinamese K.J. was robbed of the sum of 40,000 Surinamese guilders. He had met the money-changers in a café and taken them back home with him, where they drew a pistol and disappeared with the money.

#### 10-cent Pieces

It is generally assumed in the Surinamese community that the Surinamese guilders are shipped back to Paramaribo, where they are invested in real estate, which as a result of the departure of the businesspeople is up for sale on a large scale and thus is cheap. The speculators are hoping that Bouterse will fall and Dutch-Surinamese relations will be restored, after which the price of real estate would undoubtedly rise.

Insiders assume that hundreds of Surinamese refugees enter this country illegally every week. They stay with members of their family. The total number is estimated at between 10,000 and 20,000.

Spokesmen associated with the Surinamese Liberation Council in the Netherlands add to this that naturally the people currently in power in Suriname are fully aware of this entire development.

However, they very consciously do nothing to hinder the capital flight out of Suriname via Saint Laurent.

"This just puts pressure on the Surinamese currency, and it is thus not worth one cent." Thus they say that "those six 10-cent pieces that Grenswis-selkantoren pays for a Surinamese guilder are six 10-cent pieces too many. That Dutch money, paid for in effect with nothing more than printed paper, naturally goes back to Suriname again and is deposited in foreign banks. When things gets too hot for the people in power in Suriname, they will always be able to enjoy the money in countries where Mengele, the German war criminal, was also able to hold out for decades."

12593

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POLITICAL

NETHERLANDS

COMMENTATOR ASSESSES VAN MIERLO'S ELECTION CHANCES

Amsterdam DE TIJD in Dutch 21 Jun 85 p 13

[Commentary by Sytze Faber: "Van Mierlo"]

[Text] Marcel van Dam is often right. But the points he raised about Van Mierlo 14 days ago in DE TIJD are incomprehensible to me. In part on the basis of the results of a poll, he argued that politicians are alienated from the voters. But he saw no hope of improving the situation: "Maybe it will have to get so bad that 30-40 percent of the people stay home on election day. Maybe people would start talking then." He does not give a plugged nickel for Van Mierlo's chances. According to Van Dam, voters are not interested in procedures that would decrease the distance between themselves and politics. "The issues do not bring in any votes."

First of all, Van Dam does not have history on his side. D'66 [Democrats'66] was established a mere 20 years ago primarily to bring about constitutional renewal. And that won the party seven seats in Parliament the very first time around. That had never happened before. In addition--and Van Dam misses this--in this era of television of ours it is essential that the voters be able to identify themselves with the political leaders. On that point even expert commentators can easily err. In 1976 during the presidential campaign, Jimmy Carter let it slip that he had lusted in his heart. The reactions to that were unanimous: with this statement Carter had made an enormous howler; his image as a politician of integrity was badly damaged. The polls, on the other hand, showed that the voters were very well able to appreciate Carter's statement. He said something that many people recognized in themselves.

There can be no doubt (every public opinion study bears this out) that government and society are growing farther and farther apart. At this point in the history of our culture, individualization stands at the very center of things. The leaders of the three large parties do not know how to handle this. They have been shouting for years, it is true, that the mania for rules has to be reduced. But in practice the exact opposite occurs: rule upon rule, commandment upon commandment. In the era of individualization a state has arisen with checks and supervision that have no equal. Paradoxes are everywhere. To take an eloquent example: the ideology of private initiative is praised to the skies, and at the same time some two million people on the dole are condemned to passivity.

The scepticism about politics is also fed by the fact that the government can no longer provide what many citizens see as basic needs: work and (a higher) income.

In short there is an unmistakable tension between the everyday world of many voters and the political system. If Van Mierlo succeeds in putting that tension into words, he is certainly good for 9-10 seats in Parliament. To do that, he does not even need to come up with all sorts of ready solutions. If he can only say what people feel.

Van Mierlo has a number of important pluses. His expertise is uncontested. Spontaneous witnesses from the recent past: Lubbers and Den Uyl. His powers of thought (a scarce "article" in television democracy) are praised on all sides. Using the media to communicate is second nature to him. Finally (not an unimportant point after RSV [Rijn-Schelde Verolme], Koning, etc.): Van Mierlo is free of financial blemishes; even more: not long ago he turned down the extremely lucrative WEU [Western European Union] job offered him by Minister Van den Broek.

One disadvantage for Van Mierlo is that he is practically unknown to the younger generation of voters. It will call for some inventiveness to prevent him from being the candidate of those 40 and over. At the end of the 1960's great economic optimism prevailed. Among other things, that resulted in very high expectations on how democracy should work. Resistance arose against the party establishment along the entire spectrum: New Left, Christian Radicals, and--D'66.

Today things are completely different. There is a serious economic crisis that has resulted in an attitude of resignation in politics. Precisely in such circumstances, there is a need for innovating leadership that will offer voters some prospects. That is considerably harder (and more necessary!) than in the 1960's, when anything seemed possible. But there seems to be a small hole in the market. Nijpels looks on from afar, De Vries with his Veluwe hangers on has to get angry over a little ditty by Nelleke Burg, and Den Uyl and Lubbers accuse each other of blowing soap bubbles. Since last week politics has changed, however. Wim Kok has taken his place (anything but concealed) at the head of the PvdA [Labor Party] ticket, and Van Mierlo is in a position to put a significant stamp on the political agenda. Maurice de Hond's polls up to now are only of historical significance!

12593

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POLITICAL

NETHERLANDS

# PACIFIST SOCIALIST PARTY AGAINST JOINT TICKET

Rotterdam NRC HANDELSBLAD in Dutch 1 Jul 85 p 3

[Article "by one of our editors": "PSP [Pacifist Socialist Party] Is Against Cooperation with Small Left Parties. Underlines Divisions within Party"]

[Text] Utrecht, 1 July--PSP is not interested in any structural cooperation at all with CPN [Communist Party of the Netherlands] and PPR [Political Party of Radicals]. The PSP congress not only declared itself on Saturday in Utrecht against a joint ticket in next year's elections to the Second Chamber of Parliament, but also rejected much less extensive forms of joint work among the party groups in Parliament.

PSP voted by a scant majority for its Parliamentary floor leader Fred van der Spek and against the other two MP's, André van Es and Wilbert Willems. Both Van Es and Willems are consequently unwilling to run for election for a new term in the Second Chamber, they said on Saturday during the congress.

Saturday's extraordinary PSP congress underlined the fundamental divisions that have been present in PSP for years now on the question of cooperation among the small Left parties. The "cooperators"--who included Wilbert Willems--argued on Saturday for one ticket and had around one third of the votes. The wing centered on Fred van der Spek, which categorically rejects that proposal, was able to gather about 30 percent of the members behind it. The middle group was divided between those who did opt for "structured cooperation" among the Parliamentary groups--the view of Party Chairman Marko Maseland and Andrée van Es, among others--and those that thought only cooperation "at the grassroots" was meaningful.

The majority of this middle group, after a musical chairs elimination among the five different proposals presented to the congress, finally tilted over to Van der Spek's point of view. In the final vote, the floor leader won 50.8 percent of the votes. The resolution by which the party would have declared itself against a single ticket but for a joint program and joint action by the separate party groups had to settle for not more than 45.7 percent of the members.

Andrée van Es's plea for the latter resolution was of no avail. Van Es suggested to the congress that the cooperation among the small Left parties

"should not be under pressure from the elections," so that it was still not the proper time for a single list. But according to Van Es they should strive for a single list in order to "bridge over" the still vivid differences of opinion among PSP, CPN, and PPR. A joint party group in the next term of Parliament could be the "key piece" in this. She urged the congress not to indulge in "denunciations" of those that do favor cooperation.

The supporters of cooperation decided after the conclusion of the congress at which they met their defeat to stay members of PSP for now. To leave now would be, as Amsterdam PSP Council member Frank Köhler said, a "strategy for defeat." The "cooperators" want to propose as many joint tickets as possible in the city council elections of March 1986 and then want to try as "independents" to contribute to a single small Left ticket centered around CPN and PPR. CPN is extremely cool about this possibility, but PPR Chairman Wim de Boer left the possibility cautiously open on Saturday.

According to Fred van der Spek, the cooperators' strategy is just asking for "expulsion." The floor leader appeared very satisfied with the result of the congress. "A majority is a majority," says Van der Spek. "PSP is becoming less and less divided as a party, because for a number of people that in recent years have been moving to the right, this decision will be the occasion to go and do something different," said a triumphant Van der Spek at the end of the congress.

12593

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POLITICAL

NORWAY

POLL SHOWS LABOR PARTY WITH HIGHEST VOTER STABILITY

Oslo AFTENPOSTEN in Norwegian 18 Jun 85 p 3

[Gallup Poll Results: "High Stability in Labor Party, Voters Leaving Progressive Party"]

[Text] The Labor Party retains almost 9 of every 10 voters who voted for the party in the election of 1981, according to a poll conducted by Gallup/Norwegian Opinion Institute [NOI] for AFTENPOSTEN in May. The Conservative stability is up to 80 percent, while the Progressive Party retains less than half of its 1981 voters.

Stability 4 months before the election was as follows: Labor Party [A] 88 percent; Progressive Party [FRP] 45 percent; Conservative Party [H] 80 percent; Christian People's Party [KRF] 73 percent; Center Party [SP] 70 percent; Socialist Left Party [SV] 70 percent and Liberal Party [V] 82 percent. Gallup/NOI notes that the figures for FRP, SP, SV and V are uncertain.

In all 80 percent replied that they will vote for the same party as in 1981. There is an insignificant difference of opinion between men and women on this. Not unexpectedly stability is least in the age group under 30, in which 63 percent replied that they will vote for the same party. Geographically the highest stability is found in Ostland outside of Oslo/Akershus, with 87 percent, and the lowest in North Trondelag/North Norway with 75 percent.

To the question of whether they are sure they will vote for another party, 24 percent of FRP voters said yes. For the other parties the figures are: A 5 percent; H 5 percent; KRF 1 percent; SP 8 percent and SV 8 percent.

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POLITICAL

NORWAY

NORGES MARKEDSDATA POLL SHOWS CONTINUED NONSOCIALIST LEAD

Oslo AFTENPOSTEN in Norwegian 22 Jun 85 p 3

[Norges Markedsdata Political Barometer: "Nonsocialists Leading"]

[Text] The nonsocialist lead is still holding on the political barometer of Norges Markedsdata. The three nonsocialist government parties have, together with the Progressive Party, a voter support of 50.2 percent, while the socialist bloc including the Liberal Party attained 48.8 percent in today's poll. The three government parties alone had the support of 45.6 percent compared with the Labor Party and Socialist Left's 43.5 percent.

Fluctuations in the May poll are relatively large for both the Labor and the Conservative Parties, but it must be remembered that the changes in relation to the March poll were noteworthy also. The Labor Party took a jump up of 1.5 percent, and again passed 38 percent. The Conservative Party had an equally large decline, but still has 32.1 percent, and thereby more than one percentage point over the result in April. For the Conservative Party, support is still above the parliamentary election result of 1981 and almost six percentage points over the weak outcome of the county elections 2 years ago--an election which was a veritable and unexpected defeat for the largest government party.

The Conservative Party's two government partners--Christian People's Party and Center Party--continue to swing up and down in the polls. This month it is the Christian People's Party which notes a small plus, while the Center Party had a setback for the second month in a row. For the Center Party the support in the polls continues to be a headache. This smallest government party is always balancing on the border between being a small and a middle sized party.

Progressive Party

Carl I. Hagen said a short time ago that the Progressive Party is having problems reaching out to new voters, and the latest stability polls also show that large parts of the party's voter group from 1981 have been lost. With a sup-

port of less than 5 percent it is obviously not realistic to wish for 15 representatives in the new Storting. But the Progressive Party still has enough support to be important to whatever bloc that forms a new government after the election.

#### The Liberal Party

On the other side are the Liberals. The party has had a rising curve in the polls of several institutions in recent months. But support of 4.3 percent of the voters is no guarantee that there will be any Liberal Party representative in the Storting after the election on 9 September.

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POLITICAL

NORWAY

# POSSIBLE PERSONNEL CHANGES IN POSTELECTION COALITION AIRED

Oslo AFTENPOSTEN in Norwegian 22 Jun 85 p 3

[Article by Bjorn Talen: "Adjustments Expected After the Election--Growing Conservative Demands for Facelift in Government"]

[Text] Will Foreign Minister Sven Stray be replaced by Center Party leader Johan J. Jakobsen? Will Astrid Gjertsen be pulled up as social minister? This can be the result of a growing demand within the Conservative Party for a facelift after 4 years of government efforts. It is especially desired to get a stronger political fighter in the Ministry of Health and Social Affairs. Anders Sjaastad should learn to know the Storting better and will be replaced by Undersecretary Oddmund Hammerstad, it is said.

Minister of Fisheries Thor Listau is about to fall, and the strongest candidate for promotion is Oystein Josefsen. Mona Rokke is not free from criticism, but will probably remain. The Conservative Party cabinet members are the ones mostly in the danger zone. In the middle parties the impatience is less since their people have only been in their places for 2 years. But the Christian People's Party desires more important ministries. AFTENPOSTEN can confirm that after having peeked at the parties' cards before the game begins in earnest.

## "Key" Posts Same as Now

In this game the rules are firm. There will be no significant changes in the distribution of the key posts among the parties. Prime Minister Kare Willoch has given a clear signal that the possible decline of the middle parties will not lead to weaker government representation. It will thereby also be difficult for the Christian People's Party and the Center Party to make demands in case of election successes in relation to the Conservatives.

For that matter the cards are already dealt, but for now everybody passes. Nobody will say for sure when the opening bid will come. It can be right

after the election, or around the end of the year, but it can also be put off until closer to the Folketing election in 2 years. The prime minister himself is a careful player, not turning in his cards until he has to. In this way loyalty and human reflection is a more prominent trait of Kare Willoch than negotiating ability. He is no Einar Gerhardsen, who coolly carried out the necessary sentences.

#### Foreign Ministry as Joker

The joker in the game is the post of foreign minister. It is no coalition secret that most believe that Sven Stray's form at times has been a burden. But for Kare Willoch he is an important supporting player with his experience and knowledge. It would be difficult to put him aside for another Conservative, and there is no candidate standing by either. Lars Roar Langslet is not as strong in the foreign ministry picture as he was in 1981.

On the other hand it will be simpler to explain the need for shifting posts if the Christian People's Party and the Center Party assemble around a common candidate for the job, something they did not do the last time. Both party leaders keep the foreign policy goal in Willoch's eyes, and their welfare is so essential to the health of the coalition that the Conservative Party will stretch itself a long way. Nobody wants a repeat of the Borten government's decline. It began seriously to rot at the roots when Kare Willoch and Helge Seip went over to the Storting.

#### Center Party Satisfied

The Center Party is sitting with the simplest cards to bid. In the party they are well satisfied with the deal. Communications, environment and agriculture have fine possibilities for taking tricks. There is indeed a certain dissatisfaction with Rakel Surlien, among other things because it is alleged that she is not enough of a team player with the party organization. But at the same time she gets good marks for foresight for having concentrated on that which continues to stand out as the most serious future ecological threat, namely acid rain. Like the agriculture minister, Finn T. Isaksen, she also stands high with the prime minister. Besides the Center Party does not have so many strong cards in its hand. Capable Ragnhild Q. Haarstad is not acceptable in connection with the government because of her security policy solo act. Vice chairman Anne Enger Lahnstein will probably be elected to the Storting, and will be a necessary reinforcement there.

#### Jakobsen Or Bondevik?

Johan J. Jakobsen's position is uncontested, and he is apparently thriving with his cars, boats, aircraft and new telecommunications technology. There is reason to believe that his ambitions in the direction of June 7th Place are somewhat less than Bondevik's. At the same time it is clear that Middle East policies can create problems for any foreign minister of the Christian People's Party, either in relation to the government or with his own party.

J. J. J. is also a notch above Kjell Magne Bondevik in seniority and personal profile. The latter's strength and weaknesses as a politician are his exaggerated carefulness. Where Kare Kristiansen would dive right in without checking the depth of the water, Bondevik would wade hesitantly on the bottom until he was entirely sure of conditions. For both parties, however, the prestigious foreign ministry post could be expensive, because more important domestic political positions would have to be set aside.

#### Haugstvedt Sacrificed?

But should Bondevik advance to the foreign office, the Christian People's Party could not keep both Trade and Development Aid Ministries. There would be minimum profiling possibilities with other causes besides foreign aid. Besides in the coalition Asbjorn Haugstvedt is much stronger than Reidun Brusletten, but within the Christian People's Party conditions are reversed. Because "aid" is more important than "trade" for the party, among other things. Therefore it can be imagined that much against his will Haugstvedt will be sacrificed.

#### Unthinkable

On the party's wish list is moving Brusletten to the Ministry of Consumer Affairs and Administration, and Kare Kristiansen to the Ministry of Health and Social Affairs. But the first is unthinkable because of the difference in levels between the Conservative Party veteran Astrid Gjertsen and the Christian People's Party aspirant, and because the Conservative Party can not imagine turning over either the fight for a more open society or family and equality policies to the Christian People's Party, which is a wing party. And just the thought that the Christian People's Party would administer the abortion law with all the painful reminders of recent standpoints which would then come makes taking over the social post highly unlikely in the party's eyes. Furthermore the Conservative Party would be reluctant to risk having a less reliable man than Kare Kristiansen in OED.

The Christian People's Party will also try to get its vice chairman Anne Olaug Ingeborgrud to be Bondevik's eventual successor in the Foreign Ministry. But even though she enjoys great confidence as under secretary in that department there is nothing that indicates that the prime minister has become more willing to allow security policy dissenters in the government.

#### Fish and Defense

Conservative cabinet ministers have all, except for Syse, held their posts for four years. Besides Stray it is primarily Thor Listau who is ripe for being moved out. He has done a good job, but there are complaints that he has worn the Labor Party's boots. More trusted to proceed in new directions in fishing policy is Oysten Josefson--a government employee who has made his career in the Fisheries Department, and is now undersecretary in Willoch's

office. Furthermore he is from North Norway. MP Anders Talleraas is also considered a very qualified candidate, but the Conservatives would hardly challenge the coastal people in the north by putting a person from western Norway in the fisheries post.

Furthermore there is widespread feeling that Defense Minister Sjaastad should do an apprenticeship in the Storting. He is a man that the party is counting on elevating, but it is his lack of experience in the Storting which now and then has brought him into the opposition's firing line. Undersecretary Oddmund Hammerstad is ready for advancement, but if he goes to Conservative House as general secretary the desire to shift Sjaastad out could slack off a bit.

#### Gjertsen to Social?

Leif Arne Heloe is especially well liked, both in the Conservative Party and the middle parties. But two circumstances inhibit a shift. He has not been absolutely successful in getting the big staff to play with the team. The conflict between the department and the health directorate is not only the fault of Torbjorn Mork, it is said. But more important in Conservative circles, nevertheless, is the growing demand to get a stronger politician who can better fight against those making cuts. Jo Benkow is named as such a person, but he hardly wants to spoil the end of his political career by weekly fights with Willoch and Presthus. Some want to move Arne Rettedal from municipal affairs to social, but others believe that he does not have enough professional knowledge, and that furthermore he is too lazy.

A possible solution is to give this heavy department to Astrid Gjertsen, who has shown that she grows with experience. She managed to turn a cabinet department into a cooperating team. Gjertsen also has ambition, and her mature age contributes to strengthening confidence in the Conservatives' social profile. She can prove to be the government's trump card in a sensitive and important area.

If FAD opens up, Kaci Kullmann Five would be a natural successor. She is not only popular among the Conservatives' more traditional voters, but the party's most problematic voter group at present is young (and well educated) women. As a feminist and mother of small children she can increase the appeal of the party's family and equality policies. But it can also be expected that the same factors will be decisive in the matter of the chairman post in the Conservative party.

#### Against the Wind

The minister of justice was for a long time the country's most popular minister, but Mona Rokke is now struggling against the wind. Among other things the wiretapping conflict showed that she is not equipped with as good political hearing as Gjertsen, for example. Mona Rokke has not shown sufficient

ability to clean up the judiciary apparatus, and she does not stand high with the judges. Many therefore want her in another position. It will not be difficult to find a successor among the Conservative Party's many capable female lawyers.

The reason the justice minister remains is primarily because she is difficult to move. She does not have the same need as Sjaastad for parliamentary experience, and there is no other department where she would fit at this time. Mona Rokke is an asset in reserve for the Conservative Party, and there must in time be a job suitable for her energy and will. It must also be attractive to her.

#### The 'Potatoes'

As for Conservative names in the coalition government, the names Per-Kristian Foss and Arne Skauge are mentioned. They are both "potatoes" who can be used for almost anything. If the Conservative Party takes over the Foreign Ministry after Bondevik, Foss is a strong candidate. Arne Skauge can from his central position in the prime minister's office jump into almost any job. But at the same time he continues to be the one who gets the lowest odds when the Conservatives are betting who will be Erling Norvik's successor. There are many indications that he will not remain for long as Willoch's press spokesman.

Minister of Finance Rolf Presthus, Minister of Industry Jan P. Syse and Lars Roar Langslet have so far not been mentioned. Nor is there any reason to mention them in connection with shifts. Rettedal and Gjertsen are also secure enough in their posts, but could possibly be moved.

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POLITICAL

SWEDEN

#### BANANA CRATES TO NICARAGUA INTENDED TO EASE U.S. BOYCOTT EFFECT

Stockholm DAGENS NYHETER in Swedish 9 Jul 85 p 6

[Editorial: "Sweden Helping Nicaragua Alleviate USA Boycott"]

[Text] Banana crates from Vikingstad outside Lidkoping are now being sent to Nicaragua to alleviate the effects of the United States' trade boycott.

Recently 200,000 crates were loaded in Uddevalla for further shipment to Nicaragua. A total of 600,000 crates with a value of 6 million kroner are being exported. Previously Nicaragua imported crates from the United States.

#### Buy More

The country needs about 70,000 crates a week to take care of its banana export, which is essential to its economy. Before the trade boycott went into effect 25 million dollars worth of bananas were exported per year to the United States. That export is now instead going to Europe.

"The Swedish crates will not last especially long, but we hope that Nicaragua will be able to purchase more for their export income," said Stig Lovgren at Sida.

#### Import Support

The cartons are paid for via the import support which Sweden gives to Nicaragua. For the current budget year that is 30 million kronor. Also chemicals for the manufacture of detergents and fertilizer will be sent to Nicaragua. The import support is so-called restricted aid, which means that it is given in Swedish-manufactured goods.

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POLITICAL

SWEDEN

SOVIET KGB ACCUSED OF CARRYING OUT SURVEILLANCE ON CHURCHES

Stockholm DAGENS NYHETER in Swedish 19 Jul 85 p 5

[Op Ed Article by Gosta Hulten and Jan Samuelsson, writers and journalists:  
"KGB Watching Swedish Free Churches"]

[Text] Today there are at least five known KGB agents assigned to map Christian organizations in Sweden. The active contacts of the Swedish free churches in East Bloc countries have caught the attention of the KGB, according to Gosta Hulten and Jan Samuelsson. Besides the Swedish free churches and church leaders play an important part in forming public opinion in foreign policy and security policy questions, which are traditionally close to the heart of the Soviets. The Swedish Christians are not prepared to deal with intelligence activity.

Is there anything more harmless than a Swedish pastor? To stand in the pulpit on Sundays and present the bible texts, that is an occupation far from the hard world of politics. There in the tranquillity of the church is an oasis where we can flee, away from war, violence and political conflict.

Perhaps it was once like that, but it is no longer. Today's church does not just stand in the center of town. Whether they like it or not, the church also stands in the middle of world politics. There are many examples of this.

The most spectacular example on Swedish soil is perhaps the activity which the Soviet intelligence organ KGB is today demonstrably conducting against certain Swedish free churches, namely the Swedish Baptist Society and the Pentecostal Revival Church.

When the Soviet vice consul Alberts Liepa was ordered to leave Sweden in 1982 by the Foreign Ministry, the main reason given was the activity which Liepa conducted against exile Baltic organizations in Sweden.

Later information, however, gives a partly different picture. The main reason why Liepa was ordered to leave Sweden was actually the unlawful intelligence activity which Liepa conducted against the Baptist Society in Sweden. Leading

Swedish baptists were exposed to approaches from the KGB and mainly from Albert Liepe. A source within the Swedish authority concerned confirmed this information for us.

Alberts Liepa was considered very charming by those whom he watched over. It is also a general impression that Liepa is one of the most successful agents who ever worked in Sweden.

But the Soviet intelligence activity against Swedish free churches did not stop when Liepa left the country. On the contrary, there is an entire section within the KGB, designated line KR, which is interested in Swedish free churches. Line KR's activity in Sweden is led by Vasiliy Proscurin. Proscurin belongs to the KGB. He has the cover job of first secretary at the Soviet Embassy in Stockholm. Proscurin has been noticed several times previously in the Swedish press, one time when at the trial of a Russian hockey player in 1983 he appeared threatening.

Another KGB colleague within line KR is Dainis Zelmenis. Within the KGB Zelmenis has the rank of lieutenant colonel. Zelmenis' activities are aimed not only against the Baptist Association and the Pentecostal Church, but also against Baltic exile organizations in Sweden. Zelmenis speaks Swedish and is very active in the "field" in Sweden. Baltic exile organizations in Sweden have several times complained to Swedish authorities about Zelmenis' close interest in their activities and asked that he be expelled. But Zelmenis is nonetheless still in Sweden.

Within line KR the agents Kalle Seiguer, Andres Aarma and Toivo Voit also work. Seiguer came to Sweden in 1978 and works under the cover job of attache. Aarma came here in 1981. He also calls himself attache. Both Aarma and Seiguer are KGB agents with the job of watching over certain Swedish free churches. Toivo Voit has been an attache at the Soviet Embassy in Stockholm since 1984. Voit's main task in Sweden is as a KGB agent to watch over the free churches and exile Baltic organizations.

The information that there are today at least five known KGB agents with the special task of mapping Christian organizations in Sweden comes to us from several reliable sources. One of these people has his own direct experience with the activity. Another is active within a large Swedish organization with good insight into the described activity. We have also spoken with two of the people who have been approached and exposed to pressure by Alberts Liepa and Dainis Zelmenis. Liepa and Zelmenis accompanied their "offer" with offers of liquor and generous free trips.

A common KGB method for charming and influencing Swedish community leaders is to offer free trips to certain Eastern states, most often to the Soviet Union or Hungary. No Swedish representative of an organization, not even representatives from the "brother party" are today offered so many bribe trips to Eastern Europe as the Swedish Christian representatives.

For several different reasons Hungary is considered an especially suitable destination by the KGB. Its religious leaders are pliable cooperative partners of the regime, and have in several cases built up impressive power positions within the heavy ecumenical organ with worldwide contacts. Today's Hungarian church leaders are equal in diplomatic skill to the religious-political diplomacy of Magyar calvinism.

Hungary functions as a soft entryway to the East Bloc system. Here the Swedes meet community leaders with an irresistible combination of fragrant salami, fiery gypsy music and great big hugs. Here the feelings are strong and red wine is thicker than blood.

Soviet labor camps and mental hospitals seem far away, and Afghanistan still farther.

"Perhaps following Christians in the East Bloc is not so dangerous? And in Hungary there are no labor camps?"

Not everyone understands that these free trips are stage managed propaganda performances intended to attune the guest positively and at the same time learn about his political attitude toward questions of interest to the East. The KGB in Sweden can later follow up this information.

Then what is the reason for the KGB's interest in Christian groups in Sweden? To map and stop bible smuggling to the Soviet Union has been given as one reason. That is, however, hardly the only explanation. The growing number of contact visits to Christian associations in the East are in themselves a motive for the KGB to become interested in the Christian travelers from Sweden. The active Eastern contacts of the Swedish free church also attracts the attention of the KGB.

Furthermore the Swedish church and church leaders are playing an ever more important opinion-forming role in a number of foreign policy and security policy issues which are traditionally close to the heart of the Soviets. The church's peace policy activities are especially interesting to the KGB.

It has so far been easy for the KGB to operate within Christian groups in Sweden. Without being evil one can confirm that Swedish Christians lack the preparation for dealing with questions concerning intelligence activity and other international political activity which is a part of a worldly super-power's arsenal. Such vigilance has not been considered necessary in our sheltered corner of the world.

There are several examples of KGB agents who are forbidden entry in other European countries, and who can operate freely in Sweden. We choose such an illustrative example. Wednesday, 28 March 1979 the newspaper DAGEN contained an article with the headline, "Unique Russian Delegation Meets Swedish Youth and Studies Churches." Of course the delegation was unique, mostly because it contained a well-known KGB agent, Natalia Gorina. During the visit in Sweden she was known as "interpreter." In several other Western countries she is known as a KGB agent.

There is absolutely no legitimate reason for the KGB to spy on Swedish free churches. That a regime which at home follows its own Christians and furthermore conducts intelligence activity against Swedish Christians is perhaps not surprising. The activity is no less unacceptable from the Swedish viewpoint.

KGB's watch over Swedish Christian groups is a relatively new form of "active measures" which are believed to have started under Yuriy Andropov's time as head of the KGB. These activities against Swedish free churches have been met with great concern among all those who have an insight on the activity.

With resolute and consistent actions on the part of the Swedish Government we are convinced that the activities can be brought to a halt.

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POLITICAL

SWEDEN

FOREIGN MINISTER CRITICIZED FOR AFGHANISTAN FUNDS SECRET

Stockholm DAGENS NYHETER in Swedish 14 Jul 85 p 2

[Editorial]

[Text] The Afghanistan Committee exists almost entirely on state funds, and there is no reason to criticize the Government of Sweden, explained Foreign Minister Lennart Bodstrom in the TV program "Nattkafe" [All-Night Cafe].

The discussion concerned whether Sweden is protesting the Soviet occupation of Afghanistan sufficiently loudly, and Bodstrom's reply came as a response to criticism from the Swedish Afghanistan Committee.

That Bodstrom brushed aside the criticism by referring to the grants that the committee receives was not only a weak and cheap argument. What is worse is that Bodstrom implied that the money should cause the committee to keep quiet.

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POLITICAL

SWEDEN

## CRITICS SAY VIETNAM AID PACT STILL IGNORES FORCED LABOR ISSUE

### Five-Year Pact Questioned

Stockholm DAGENS NYHETER in Swedish 11 Jul 85 p 6

[Article by Peter Bratt]

[Text] The Swedish government has signed a new agreement with Vietnam on aid to the controversial Bai Bang project without demanding a halt to forced labor by forest workers, most of them women.

Despite a promise in Riksdag that the compulsory lifelong recruitment of Vietnamese forest workers would have to stop before Sweden provided continued aid the government signed a new agreement covering another 5 years without raising this demand.

The government overrode SIDA [Swedish International Development Authority] which had recommended a 1-year agreement to put more pressure on Vietnam. The week before the agreement was scheduled for completion the Foreign Ministry in Stockholm sent a telegram to Hanoi to sign on for 5 years. In that way the present government made it difficult for a future nonsocialist government to stop continued support.

Foreign Minister Lennart Bodstrom said that even though it is not written into the agreement the elimination of lifelong forced labor is an imperative Swedish demand.

### Secret Report

At the end of January the contents of a secret report that Foreign Minister Bodstrom had taken along during his visit to Vietnam on 11-16 January were presented. They showed that the workers who produce raw materials from the forests for the paper mill in Bai Bang live under terrible conditions.

This involves around 10,000 people, most of them women, who are forcibly recruited from their home towns in the south at a young age and are then condemned to work in the jungle until what is basically the age of retirement. Those who run away are punished and risk being sent to so-called retraining camps.

## Little Food

They live in dire poverty in large dormitories in leaky shacks, receiving very little food or money and there is nothing there to buy anyway. To survive they are forced to raise vegetables and fatten chickens and pigs and therefore they can work only a few hours a day in the forests.

Bodstrom had discussed the contents of the report during his visit. There was a heated debate in Riksdag in which the opposition said that it was outrageous that a side effect of Sweden's biggest aid project, which has cost 2 billion kronor, has been forcing as many as 17,000 people to work on it. There was a demand that aid be cut off unless this practice of forced labor was halted.

## Changes Promised

These were some of the things Lennart Bodstrom said in Riksdag on 4 February:

"I assure you that the government will use all the means at its disposal to eliminate the problems in Vietnam with regard to living conditions for the labor force.

"There is no doubt that we must insist that working conditions be raised to a level where people will come there of their own free will."

This was interpreted by those in parliament as well as by our editorial writer (DAGENS NYHETER, 5 February) as meaning that Bodstrom had promised to make the cessation of forced labor in the forests a condition for a long-term agreement.

The agreement expired on 31 May. SIDA advised the government to sign a new 5-year agreement on continued support for the industrial aspect and a 1-year agreement for the forestry aspect. The reason was that this would enable the government to exert more pressure on the Vietnamese to really improve conditions for the forest workers. If nothing happened a new agreement would not be signed.

## No Protests

Section leader Christina Rehlen was a member of the Swedish negotiating team and traveled to Hanoi at the beginning of May.

"For several weeks I worked under the assumption that this would be a 1-year agreement. The Vietnamese were also working under this assumption and everything went fine, there were never any protests about it."

On 22 May they suddenly received word from Stockholm via the Foreign Ministry radio service to sign a 5-year forestry agreement as well. The SIDA delegates protested in vain. On 31 May the new agreement was signed for 5 years.

Anders Forsse, head of SIDA until 1 July, said:

"We were not consulted. Naturally it is a difficult diplomatic feat to get out of an agreement that has been made for a 5-year period. The assumption is that the agreement will be honored. If it is for only 1 year, one can always say: 'You are not behaving properly, so we do not intend to extend the agreement.'"

We asked if this type of agreement would commit the next Swedish government to a greater extent.

"Yes, it would. We can still exert pressure by withholding funds, but the situation would be more difficult."

The agreement that was signed on 31 May said that conditions for forest workers must be "substantially improved" or no more money will be paid out after 1 July of next year. The forestry agreement will cost 50 million kronor in that fiscal year. But nothing was said about what "substantial improvements" would involve. And the question was not discussed during the talks with the Vietnamese government.

#### Not Serious

One of the authors of the report on the conditions of the forest workers, specialist in developing countries and economist Lars-Erik Birgegard, said:

"The government says it takes a long time to make changes in Vietnam. At the same time it says that the Vietnamese have been asked to make substantial improvements by January, when a report must be sent to SIDA. Thus in 7 months substantial improvements are supposed to be made in a country where it takes a long time to implement such changes. This does not add up and just shows that the government's demands are not serious."

#### Hypocritical

The other author of the report, Katarina Larsson, who lived with the women in the forest for 4 months, said:

"This is hypocritical and a gross deception. First the foreign minister said in Riksdag that the government would do everything it could to end the poor working conditions of the forest workers and then a new 5-year agreement was signed without any specific requirements about what should be done.

"There was no requirement that forest labor be limited in time for these often young women who are forcibly sent there until what in principle is the age of retirement. The only demand made was that conditions be 'substantially improved.' Did Bodstrom make this kind of vague demand when he was a union negotiator? It seems very unlikely.

"After all the fine words in Riksdag and to the mass media, the net result was absolutely nothing."

Lennart Bodstrom said that critics are reading in things that are not there.

"It is a basic requirement that the lifetime compulsory labor requirement must be eliminated. That is a non-negotiable requirement for our continued support of the forestry part of the project. But that is not enough. Many other improvements must also be made.

#### SIDA to Decide

"It happens that governments make changes in proposals made by authorities. Here SIDA wanted a 1-year agreement with the government deciding whether to extend it after the end of the first year. It was decided to make it a 5-year agreement but SIDA will be able to decide for itself whether the money should continue to be paid out. As an independent authority SIDA can decide if conditions have improved as much as we requested."

Three people on the Swedish delegation that worked on the agreement told DAGENS NYHETER that in contrast to what Lennart Bodstrom said it is the government and not SIDA that must make a decision on whether or not to continue funding next year.

According to these three, Gerd Johnsson of the Foreign Ministry and Christina Rehlen and Eva Asplund of SIDA, the authority had asked to be allowed to decide on continuing the aid payments, but the government went against SIDA on this point too.

#### Foreign Minister Attacked

Stockholm DAGENS NYHETER in Swedish 12 Jul 85 p 6

[Article by Peter Bratt]

[Text] The government's decision to extend the agreement on Swedish support for the forestry project in Vietnam for 5 years without clear guarantees that forced labor and other unsatisfactory conditions will be ended is a shocking double betrayal, according to Center member of parliament Par Granstedt.

He took part in the interpellation debate on aid to Vietnam on 8 February and asked for guarantees that continued aid would be granted only if Vietnam promised to end forced labor in the forests. After 2 hours of debating he thought he had finally been given a promise to this effect by Foreign Minister Lennart Bodstrom.

#### Broken Promise

Today Granstedt told DAGENS NYHETER: "This is a betrayal of Riksdag since the foreign minister promised us that 'the government will do everything it

can to eliminate the unsatisfactory conditions that exist there.' Even worse, it is a betrayal of the Vietnamese women who now run a great risk of being forced to continue their slave labor in a Swedish-financed project.

"Those of us who took part in the parliamentary debate assumed that we could rely on the foreign minister's promise," Granstedt continued. "But now he has broken his word. His only excuse is that he may have been overruled by other forces in the government. But that does not diminish the government's betrayal. The government's actions are especially remarkable because of the fact that it pushed the 5-year agreement through against SIDA's wishes.

"SIDA had recommended a 1-year agreement to increase the chances of putting pressure on Vietnam. And according to reports the Vietnamese were willing to go along with that. The fact that the government pushed through a 5-year agreement anyway must be interpreted as an expression of complete indifference to human rights and an indication that the Vietnamese can continue to run things in the same old way.

#### Hands Tied

"The government's action also means that it has not just committed itself to refraining from making demands with regard to renewing the agreement, it has also made it difficult for a potential new government in the fall to take any action.

"The Center Party has regard it as natural to support Swedish aid to Vietnam in order to build up that country after the war but we cannot support an enterprise that involves human rights violations. The government's political emphasis on aid to Vietnam discredits all aid programs."

Rune Angstrom, Liberal Party spokesman on aid issues, said:

"After the interpellation debate in February I thought we had agreed that forced labor had to stop and that our agreement with Vietnam would depend on the elimination of this practice.

#### Disappointed

"I regard the conclusion of an agreement without including a single word about forced labor as a betrayal of the agreement that existed in Riksdag. I am deeply disappointed that this opportunity was not used to speak plainly to the Vietnamese government.

"The Liberal Party has advocated ending this cooperation and we considered the maximum time limit to be another 3 years. This agreement is an obstacle to any action, since we cannot abandon the agreement if we get a nonsocialist government in the fall.

"This is very regrettable and I feel it will continue to provide detractors of Swedish aid with fresh material."

## Newspaper Joins in Protest

Stockholm DAGENS NYHETER in Swedish 12 Jul 85 p 2

[Editorial: "Betrayal of Foreign Aid"]

[Text] Aid to Vietnam must be defended. But the Swedish government has an uncanny knack for giving more arguments to the opponents of aid to Vietnam than to its advocates.

The government recently signed a new agreement with Vietnam. But the requirement that Vietnam further improve conditions for forest workers in Vinh Phu has been watered down. All that is left of Foreign Minister Lennart Bodstrom's assurances in Riksdag that "the government will do everything it can to eliminate the unsatisfactory conditions that exist with regard to living conditions of the labor force" is a statement that conditions must be "substantially improved."

In addition the government overruled SIDA at the last minute. SIDA felt that a 1-year agreement would put pressure on Vietnam. The agreement would not be extended unless conditions for forest workers had improved. But just before the agreement was ready to sign the Foreign Ministry revealed that the period of the agreement would be extended to 5 years. However funding would be guaranteed only for the first year.

This format makes it harder for Sweden to help the forest workers to get tolerable living conditions. The agreement must be honored. It is harder to stop funding an agreement that has been signed than it is to refuse to extend an existing agreement. With a 1-year agreement Vietnam would have been forced to come up with improvements, but now Sweden will have to point to the continuation of poor conditions. The burden of proof has been shifted from Vietnam to Sweden.

Lennart Bodstrom defends this. Either he regrets what he said in Riksdag earlier this year or the Foreign Ministry staff people have imposed their will. According to Bodstrom SIDA will decide on whether or not to continue funding. At any rate that is a clarification.

Foreign aid should not be used as a means of exerting foreign policy pressure. But neither should it be paid out unconditionally. In the case of Vietnam it is necessary to make demands. A growing number of people think aid to that country should be discontinued. The Conservatives have long advocated this. And the Liberals and the Center Party want to phase out aid to Vietnam over a longer period of time. Unless Sweden speaks out when workers on a Swedish aid project are apparently oppressed and degraded, it will ultimately be impossible to defend sending millions in aid to Vietnam.

Vietnam is still one of the poorest countries in the world, a land that was once subjected to massive bombing attacks by one of the world's most

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effective war powers. There is no doubt that Swedish aid is needed. In addition, Vietnam is becoming increasingly dependent on the Soviet Union. Sweden is needed as a window to the West. And as the Vietnamese have discovered that there were no political motives behind our foreign aid, their confidence in us has grown.

The Vietnamese government listens to what Sweden has to say. Therefore it is deplorable that the government has not forcefully championed the cause of the forest workers. Swedish aid should not just go toward financing industrial projects. If it does not improve living conditions for the poor it is a failure.

#### Researcher Attacks Naive Trust

Stockholm DAGENS NYKETER in Swedish 13 Jul 85 p 13

[Article by Peter Bratt]

[Text] "Both the Foreign Ministry and SIDA are bluffing in an attempt to conceal the fact that they have done nothing to eliminate forced labor." This statement was made by Katarina Larsson, the research worker who sounded the alarm about the unsatisfactory conditions for forest workers in the Bai Bang project.

Foreign Minister Lennart Bodstrom has said that unless conditions are substantially improved for the approximately 10,000 women forest workers, no more funds will be provided. He has said that he has now personally formulated demands that the work must be voluntary, with specific contract time limits in place of the current lifetime forced labor practice.

The new head of the aid agency SIDA, Carl Tham, has said that the new agreement gives SIDA plenty of room to influence conditions for the forest workers.

Doesn't that indicate that everything is now all right? Those in charge have promised to cut off funds if the women are not treated reasonably well. What is all the fuss about?

Katarina Larsson, a research workers in the area of developing nations with close to 25 years of experience who lived with the forest brigades in North Vietnam for 4 months, said:

"Last December SIDA and the Foreign Ministry saw our report on conditions for the workers. First now has Lennart Bodstrom said that forced labor must be ended before he will approve continued aid payments. But there are only 6 months left until the end of January 1986, when the Vietnamese must report on what they have done and what they intend to do.

"It is incredibly naive to believe that one can end forced labor in half a year. It will take very big changes over a long period of time, changes that must be made gradually.

"A detailed plan is necessary that will show precisely how and when the changes will be made and close supervision of the plan will also be needed. In our report we outlined a proposal showing how the work can be guided toward more voluntary forms.

"The point is that since the time we submitted our report until now no clear definition has been made of the kind of compulsion that should be eliminated and how this is to be accomplished by either the foreign minister or the SIDA administration," Katarina Larsson continued.

#### No Directive

"If Bodstrom had any concrete line and intentions he should have communicated them in the directives to SIDA about the framework of the talks leading up to the new agreement and which demands should be presented. He did not issue any directive of this kind. His private thoughts are not of much interest unless SIDA's staff members are informed of them.

"The SIDA leadership did not provide its staff people with any guidelines either. The memorandum SIDA prepared before the talks began contains nothing about what changes should be made and how this should be done. It just talks generally about 'improvements,' which is just so much hot air."

It is of interest here that the staff member who wrote the SIDA memorandum does not agree that forced labor in the forest exists.

#### Denial

Following Deputy Minister Roine Carlsson's famous press conference in Hanoi on 28 November 1982, Lennart Bodstrom asked the embassy in Hanoi to look into whether forced labor was used in the forests or not.

When asked if there was forced labor or not, Roine Carlsson answered that "this is an internal Vietnamese affair." At a meeting of the Constitutional Committee in the spring of 1983 Carlsson denied making the statement and claimed that he had been misquoted by DAGENS NYHETER. A tape of the press conference in Hanoi later showed that this denial was untrue.

But references were made at the Constitutional Committee meeting to the study requested by Bodstrom, which was made by one of the authors of the SIDA memorandum. According to the study no improper compulsion was involved in the forest work.

"In other words responsibility for preparing the agreement talks was given to low-level SIDA officials who had already shown what they believed as far as this issue is concerned," Katarina Larsson said.

## Illusion

"This demonstrates quite clearly that those in charge had no desire to solve the problems. It is necessary to work out a detailed plan that can be supervised in cooperation with the Vietnamese. A meaningless statement about wanting improvement is simply an illusion, an attempt to bluff people.

"There is really no exaggeration in the report Lars-Erik Birgegard and I wrote. I remember those poor women saying to me on several occasions: 'You are very nice but a little naive. No one will listen to us. Who cares about us?'

"It would be a good thing if Bodstrom and Tham spent several weeks on a forest work brigade. I would like to see them there, barefoot with leeches up to their knees, with almost no food or water. They might be a little more humble then."

SIDA chief Carl Tham said: "The criticism that is now being directed against the government is primarily concerned with the fact that a 5-year agreement was signed instead of a 1-year agreement. After studying the document I have reached the conclusion that this does not affect our possibilities of putting pressure on the Vietnamese in this context.

## More Precise

"With regard to the demands we want met there are some proposals outlined in the memorandum. When the working group mentioned in the agreement is appointed, it will give these proposals a more precise formulation in connection with its task of defining the demands that must be met.

"In addition to material improvements in housing, food, wages and so forth, people must have the right to stop working and return home or go to some other job without reprisals. This is a very important demand as far as we are concerned.

## Withdrawal Possible

"If we find out later on that they have not met our demands the agreement permits us to stop payment of the aid funds and to withdraw from this part of the project," Carl Tham explained.

"One can argue that it would have been better to include the demands directly in the text of the agreement but that is an entirely different question that I cannot discuss, since I had nothing to do with the planning," said the new SIDA chief.

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POLITICAL

SWEDEN

# FIRST-TIME VOTERS FOUND FAVORING MODERATE PARTY IN POLL

Stockholm DAGENS NYHETER in Swedish 7 Jul 85 p 9

[Article by Sven Svensson]

[Text] During the spring of 1985 the Social Democrats have sharply increased their support among pensioners, while the Conservatives have dropped well below their average in the polls. This was indicated by a DN/IMU (DAGENS NYHETER/Institute for Market Research) survey of party support among various population groups.

This special survey includes just over 3,000 voters and is based on polls taken in January, February, and March of this year. Since first-time voters are included, there was no comparison with the 1982 election results. As a result, the figures for the Conservatives are somewhat high and those for VPK (Left Party Communists) are too low, according to IMU.

Of just over 6 million qualified voters, 1.5 are pensioners and just over 300,000 are first-time voters. As a result, pensioners are an important group of voters.

The survey includes almost 500 pensioners between 65 and 74 years of age.

The average figure received by the Social Democrats in the polls is 42.0 percent. Among the pensioners, the Social Democrats are supported by 50.5 percent--an absolute majority. Compared to a similar survey taken in the fall of 1984, this means an increase of 9 percent from 41.5 percent to 50.5 percent.

The average figure for the Conservatives during the spring of 1985 is 28.5 percent. In the pensioners' group, the Conservatives received 19.5 percent, compared to 24.5 percent 1 year ago--a 5-percent drop.

## Center Stronger

The Center Party is relatively strong among pensioners. The average figure for the Center Party in the polls is 12.0 percent, but 16.5 percent of the pensioners support the party.

Just before the 1982 elections, the nonsocialist government presented an

austerity package that included pensions and health insurance. At that time, the Social Democrats promised to reverse this action.

But the Social Democrats have hardly fulfilled their promise of complete compensation to pensioners. The 600-kronor tax deduction offered last spring did not apply to all pensioners. In addition, the decision by parliament to increase the standard deduction from 1,000 to 3,000 kronor excluded pensioners.

The Conservatives hold a relatively strong position among the younger age groups, while the Social Democrats are under their average.

Of the 253 first-time voters, 38.0 percent indicated that the Conservatives were the best party, compared to an average figure of 28.5 percent. This represents a 4-percent increase over last year.

The Social Democrats are supported by 36.5 percent of the first-time voters, compared to an overall average of 42.0 percent. The corresponding figure was 41.0 percent 1 year ago.

The Liberal Party, the Center Party, and VPK are under their average figures. The sample was too small, however, to indicate clear trends.

#### Environmental Party Attractive

The most remarkable figure is the 7 percent of the first-time voters who indicated that the Environmental Party was best, compared to an average of 4 percent.

This figure may indicate that many first-time voters are interested in trying a new party. As the elections draw near, however, the 4-percent barrier will have an effect on party choice.

Young people between 15 and 24, 490 voters, show a different tendency. Support for the Conservatives dropped to 34.5 percent, while increasing to 37.0 percent for the Social Democrats. The Center Party received 11 percent, compared to a 12-percent average. Support for the Environmental Party dropped to 6 percent.

#### Party Loyalty

IMU also investigated party loyalty. Compared to the period between the 1979 and 1982 elections, both the Liberal Party and the Center Party noted increased loyalty, while loyalty to the Social Democratic Party dropped somewhat.

About 70 percent of the middle-party voters are now loyal to their parties, compared to between 52 and 58 percent in the spring of 1982.

Party loyalty among the Social Democrats and the Conservatives is about 90 percent.

This may be compared to a top figure of 97 percent for the Social Democrats. The Conservatives' previous high was 95 percent.

According to the polls, the Center Party has lost the most voters since the 1982 elections--just over 3 percent. Of these lost voters, 1.5 percent went to the Conservatives and a total of 0.9 percent to KDS (Christian People's Party) and to the Environmental Party.

#### SDP Down

The Social Democrats have lost about 2 percent overall: 1.7 percent to the Conservatives and 0.8 percent to KDS or the Environmental Party. The Social Democrats have gained 0.3 percent from VPK.

The Conservatives have risen 2 percent since the elections. In addition to a 1.7-percent increase at the expense of the Social Democrats, there has been a net influx of 1.5 percent from the Center Party and 0.6 percent from stay-at-home voters. The Conservatives have lost 0.4 percent to the Liberal Party.

The Liberal Party noted a slight increase because of a 0.4-percent influx from the Conservatives and 0.3 percent from the Center Party, although 0.3 percent were lost to the minor parties.

Other parties accounted for 7.5 percent in the polls, which represents a 3.7-percent increase over the 1982 elections.

Both the Environmental Party and KDS are now above their election results. It is difficult to predict the effect of the 4-percent barrier and the joint effort of KDS and the Center Party in the elections. Additional voters for these parties have come primarily from the Center Party and the Social Democrats.

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POLITICAL

SWEDEN

FEWER VOTERS NOW FORESEE CHANGE IN GOVERNMENT AFTER ELECTION

Stockholm DAGENS NYHETER in Swedish 15 Jul 85 p 9

[Article: "Fewer Believe in Government Shift"]

[Text] Only 36 percent of the qualified voters now believe the nonsocialists will win this fall's elections.

This was indicated by a SIFO (Swedish Institute for Public Opinion Polls) survey commissioned by SVENSKA DAGBLADET. One thousand people were asked what they thought the outcome of the elections would be. At the end of January, as many as 54 percent believed there would be a nonsocialist victory.

At that time, 54 percent of the socialist voters and 80 percent of the nonsocialists believed in a nonsocialist victory. Now the tide has turned. Today, 71 percent of the socialist voters believe they will win, while only 58 percent of the nonsocialists foresee victory for their own bloc.

The number of nonsocialist voters indicating they do not know the outcome has increased from 12 to 16 percent, while the corresponding figure on the socialist side has dropped from 17 percent to 14 percent.

Among the nonsocialists, the Conservatives are most confident of a nonsocialist victory: 61 percent believe they will win.

Fifty five percent of the Liberal Party supporters and half the Center Party sympathizers believe they will win.

Among Social Democratic supporters, 14 percent now believe in a nonsocialist victory.

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POLITICAL

SWEDEN

# BOHMAN SEES COUNTRY'S PEACE MOVEMENT AS THREAT TO PEACE

Stockholm SVENSKA DAGBLADET in Swedish 30 Jun 85 p 3

[Commentary by Gosta Bohman]

[Text] I have tried many times to describe the intense feeling that is aroused when we approach land out here in the archipelago. The fragrance of the flowers reaches far out into the channel and varies with the summer months. It is seductive and enticing in June--the blossoming time of the bird cherry, the lily of the valley, and the wild chervil. The fragrance is deeper, warmer, and more fertile when the yellow bedstraw and cowslip are in season. Then when the tansy and heliotrope take over, the aroma is sharp, spicy, and masculine.

As the boat glides in toward the shore and dock and the motor is turned off, the sweet perfume of the flowers blends with the wild screams of the shore birds. Gulls and terns circle over the intruders' heads during the first minutes of the landing. Then they quiet down. The warning calls prove fruitless and become silent. These shore birds are satisfied by following our actions from atop the cliff.

This is not true of the graceful sandpiper who continues to shriek his disapproval as he flutters his wings and calls "kipp-kipp" above our heads. The warning cry becomes louder as we unknowingly approach the breeding grounds in the grass by the shore.

## Battle For Family

This welcome was intensified by a pair of sandpipers that had apparently been breeding close to our dock during our absence and were now raising their voices to the utmost to defend their territory. We do not usually see these birds from so close on Sundskar until later in the summer, after the young have learned to fly and the parents are more free to move about.

But now they were above us, angrily taking up the battle. They battled us vainly for several days. They were just as untiring in their battle against the gulls. It is difficult to understand how this graceful, seemingly fragile bird with its narrow little red legs and similarly red, long, sharp beak can drive away the larger gulls so effectively.

It is surprising to see them retreat during the sudden attacks of the sand-piper. It is striking how much respect the animal kingdom has for those who try to protect their nest, their territory, and their young. Even the strong and powerful seem to have a special respect and understanding of the just battle for one's own family.

#### Power Without Limits

If only this were true in the strange world of human politics! But here, the decisions are not made by those who are directly affected. Instead, at least on one side, it is representatives of opposing interests, i.e. elected politicians, who hold the responsibility.

Even in a democracy, it takes only a few more who think differently than a few less to make right into wrong--although, deep down, most people agree that a democracy must ultimately defend the rights and freedom of everyone alike, not only that of a temporary majority.

This applies to Sweden today, especially since most aspects of human existence are now controlled by politicians and authorities rather than by the individual citizen himself. The decisive power is in the hands of people who have obtained power--Power with a capital P--from a majority that, through elections, has given them virtually unlimited rights without knowing and without being able to know how this power would be exercised during the upcoming term of office.

The Constitution of this "birthplace of freedom on earth" places virtually no limitations such as those found in the constitutions of other civilized nations in order to protect minorities from oppression.

#### Warm Abode Of Power

Out here in the open seas of the archipelago it is easy to see how power and ruthlessness toward the freedom and ownership rights of the individual citizen have taken over. This is a world in which, in order to survive, people have learned to take responsibility and take care of themselves in a harsh and barren environment with cold, fog, storms, and ice as obstacles.

Inside the warm abode of power, thoughtful people sit and rule. With the help of the Communists, they can rob the people of the archipelago of their fishing rights. They determine if, when, and how the inhabitants may build houses. They prohibit them from constructing a cottage on their own property in order that their children might be near them and offer the support they need.

This prohibition even affects areas that are totally inaccessible to outdoor recreation--of course, those who enjoy this activity are always in the majority--and areas where several new houses in the traditional archipelago style would not damage, but rather enrich the landscape and archipelago life.

But this is not all that is determined by the people in power. They also decide that a house cannot exceed a certain size, that guest cottages cannot have cooking facilities, that colors, roof height, and roof angles must coincide with the taste of those in power, and that doors must be installed

at certain places. For safety's sake, the Environmental Protection Agency and other authorities must be consulted if an inhabitant of the archipelago wants to add a few meters to his house.

#### Lacks Logic

Poor Sweden! Where did your freedom go? And who will pay these professional opinion-holders who live on the income of the people they oppress--with the help of the law?

The archipelago will not become more alive in this way. It only becomes worn down when the government takes over more and more of the archipelago in order to offer more than 1 million people in Stockholm the opportunity to have, as they say, an enriching experience with nature. Toward this end, steps are taken even in the outer archipelago, signs with information and advice are put up out in the wilderness, special beaches are made, communications are improved--all for the purpose of letting people observe nature not as individuals, but as a collective body.

But at the same time, they must try to protect the birds which, as they know, are harmed by overexploitation. They are forced to establish more and more bird sanctuaries that are closed to the public.

There is no logic in archipelago politics. It is based on ignorance, although it is well-intentioned. The good intentions have the opposite of their desired effects.

#### Shabby And Unpleasant

Representatives of the county government of Stockholm and other authorities recently met for an entire day on Bullero to discuss the consequences of their own archipelago policies. The bigshots seemed surprised to learn what wise and experienced people had predicted all along.

Several years ago Bullero became public property so that it could be, as they say, open to the people. Roads and communications facilities were constructed, toilets were built, and people were attracted to the island--and the people came. Bullero, with its magnificent natural features, became overpopulated. It became shabby and unpleasant.

A representative of the county government's environmental protection unit admitted--it was about time--that "the big problem is that people find this overcrowding to be unpleasant" and "there are lines in front of the toilets and telephones."

The authorities discussed ways to limit the number of visitors. In the future, visitors may have to "make reservations" to come when they wish. Can anyone think of a clearer disavowal of the "naive policies" of the archipelago?

## Segregation In Archipelago

"Overcrowding in the archipelago is unnatural," according to the county government's own representative. No, it is not natural! But why do the policies of these agencies include measures that must lead to overcrowding in a world that received its character, its attractiveness, and its priceless nature precisely from its lack of overcrowding and from the need for solitude, the thrill of discovery, and the acceptance of responsibility and risk.

But this seems to have escaped the agencies that have been created to preserve the unique and varied conditions of nature.

If the present policy continues, it could result in a kind of segregation of the archipelago. On the one hand, there will be larger and larger enclaves owned by the public or the Archipelago Foundation that are orderly, civilized, and adapted to the daily needs of big-city dwellers, with telephones and all the conveniences, with regulations and keepers of the peace.

On the other hand, there will be more and more protected and prohibited areas that are closed to people who love outdoor recreation and who have sought solitude and unique wildlife that has not been destroyed by humans and their inventions.

## Truly Alive

One might ask how the archipelago could live and flourish and how the birds and flowers could develop at a time when the archipelago was truly alive--before the guardians took over.

The mentality and ignorance that once destroyed Angso--one of Sweden's oldest national parks--are still alive and well. What does Sweden's Agriculture and Environmental Minister Svante Lundkvist actually know about nature?

Collective thinking is destroying the concern for people and for nature that originally motivated collective thinking. Is it possible that one reason for the so-called conservative turn is that people are beginning to understand this?

## Blissful Happiness

Last June the Swedish Peace and Arbitration Association--a contradictory and pretentious name, by the way--was in blissful happiness. The association was anxious for a fight: Bofors had been exposed. Bofors had broken the law on weapons exports.

The peace association had the evidence. Some would be given to the prosecutors and the rest would be saved for the election campaign.

And the press--well, the entire world of mass media--joined in the witch hunt. Everyone assumed that the accusations were true. It is understandable that

the Social Democrats were licking their chops. After all, the former head of Bofors is now chairman of the Swedish Employers' Confederation (SAF). If they could get at him, they would also get at the hated SAF. Guilt by association in all its glory!

Even the nonsocialist press showed no restraint. The guilty party was convicted before he was proven guilty. In other words, it was just like the Commission on Economic Crimes in Heurgren's time. Even the highly respected for which I am now writing joined the gantlet, with its headline Winberg Goes to the Police, for example.

#### Regulations Difficult To Interpret

Whatever became of decency? If the Bofors chief or the company clearly broke existing laws, then they should be punished.

We must understand, however, how difficult it is to interpret the existing regulations. It is difficult to determine what is war equipment and what is not. It is difficult to tell what is permitted and what is prohibited.

Making sure that a fully legal export country does not resell Swedish weapons to another country is a sensitive and difficult matter. Is a truck war equipment or not? When does a car become war materiel? When does a "civilian" dock become "military?" This latter question must be asked since, several years ago, Gotaverken delivered an ordinary civil dock to the Soviet Union--what is more, financed in part by Swedish tax money--but this dock is now used by Soviet military ships.

#### Threat To Peace

The Swedish "Peace Association" shuts its eyes to all of this. Its goal is Swedish disarmament. The association believes it can achieve peace in this way, although all previous experience is to the contrary.

As long as Sweden defends its peace, we must be able to purchase weapons abroad. Our peace, our defense, and our neutrality are closely linked to domestic production of defense materiel and to the export and import of such equipment.

The Swedish "Peace Association" is a threat to peace. Only when the association is prepared to admit that, will I end my accusations of hypocrisy and double standards.

But why are the major parties and almost the entire press silent on the duplicity of the association? Is it out of fear of a public opinion based on ignorance?

## Unworthy And Unwise

The Center Party recently held its congress. For us outsiders, it was not a totally constructive event. Treating the party leader in this way--a party leader who, with his honesty, skill, power, and strength, led the party in its years of success--was definitely worthy of an agrarian party that should stand for consistency, courage, and uprightness.

It is when the problems are many that consistency and togetherness--as well as common courage--are needed more than ever. Giving in to SIFO (Swedish Institute for Public Opinion Polls) or IMU (Institute for Market Research) figures or to one of the so-called popularity polls is not only unworthy, but also unwise.

The results say little about the elections. The results may depend on a coincidence, a bad mood, a discussion of the health or possible retirement of the party leader, or even the unreliability of the survey. Such events can influence the outcome of a poll and, if they are believed, these temporary results may become permanent.

## Linked To Three-Party Government

Thorbjorn is strong--as I said. He will get by. So will the nucleus of the party--I think. But what about the morale of the representatives? After the congress, there is some doubt in this regard--and the decisions made at the congress were not always especially wise.

That is the Center Party's problem, the reader might say. Of course, but not totally. This is because their decisions are linked to the possibility of creating a strong three-party coalition government this fall. In a similar manner, certain Liberal Party members and even Bengt Westerberg have made certain obscure statements directed at the Conservatives--although Westerberg is not as harsh now as he was 1 year ago.

"So what?" as my children like to say. If there is not a three-party coalition after a nonsocialist election victory, then the Conservatives will form a government on their own.

## Similar Choice

I see many nonsocialists raising their eyebrows. Why? The Social Democrats do not have a majority and will not have one after the fall elections, even if the socialist bloc wins.

Nevertheless, there is no doubt that there would be a Social Democratic government in that case--a minority government, in other words. They would be forced to count on support in parliament from the Communists, although the difference between the political programs of the two parties--hopefully--is greater than the differences among the three nonsocialist parties.

Just as the Social Democrats in parliament have had to count on the

Communists to side with the government almost 100 percent of the time rather than support the opposition, the Center Party and Liberal Party will be faced with a similar choice.

I am convinced--wishful thinking, perhaps--that on most issues these two parties will choose the alternative put forward by a Conservative government rather than support a socialist alternative. Otherwise, they will lose even more votes than they have lost so far. Eventually, they may even find that they will have more influence if they come into the fold of the government.

#### Do Not Despair

My own highly personal conclusion is that any nonsocialist Swedish citizen who now has doubts about a three-party nonsocialist alternative should vote for the Conservative Party. This will increase the chances of nonsocialist policies, whether there is a purely Conservative government or a three-party coalition either immediately after the elections or further down the road.

The most important thing of all is not to despair. Do not fall for the SIFO figures or for the false "right way" propaganda that the Social Democrats have had some success with so far.

A vote for the Social Democrats is a vote for Olof Palme. Do not forget that! Politics is not simply power. Politics is also a question of truth and morality--and of freedom.

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POLITICAL

SWEDEN

#### COMMUNIST LEFT PARTY CAMPAIGN PLATFORM STRESSES ENVIRONMENT

Stockholm SVENSKA DAGBLADET in Swedish 5 Jul 85 p 6

[Article by Bjorn Hygstedt: "Environment the Main Theme in VPK Election Campaign"]

[Text] With a fight against dead forests and pollution the VPK [Left-Party Communists] hopes to win new voter support during the current election campaign.

On Thursday the party presented a 10-point program with recommendations for measures protecting the environment.

"We are going to introduce the problem of pollution and dead forests as a main issue in the election campaign," said VPK leader Lars Werner.

In the action program there is, among other things, a demand that the 15 worst sources of sulfur emission must take measures this year.

#### Boliden at the Top

The list of the heaviest sulfur emitters is headed by Boliden's Ronnskars Plant in Skelleftea for Boliden Kemi in Helsinki, Vartans Energy Plant in Stockholm, Scanraff in Lysekil, Svenska Rayon in Karlstad, Oxelosunds Iron Works, MoDo Husms Bruk, SCA Munksund and Uppsala Power Heating Plant (Source: Environmental Protection Agency).

#### Punishment Fees For Emissions

VPK also wants to introduce a punishment fee for sulfur emission of 4,000 kronor per ton of sulfur dioxide. For the Ronnskars Plant that would be a punishment cost of 56 million kronor per year. Could Boliden really carry that burden?

"If one looks at their reported profits they should be able to do that," said Lars Werner.

## Reduced Top Speed

The VPK further demands that the highest permitted speed on our roads be reduced to 100 km/hour. That is to reduce the content of sulfur dioxide in the exhaust gas.

VPK also demands catalytic exhaust cleaning in all new gasoline-driven cars from the start of 1987. According to VPK's environmental and forestry expert Goran Bryntse the exhaust gas from automobiles does greater damage than all the other industrial emissions together.

The old seed of conflict about the sulfur content of heavy fuel oil remains in the list of demands. VPK wants a reduction from the present one percent to 0.5 percent, and for home heating oil from 0.3 to 0.15 percent.

## 400 Million

Investigations conducted in connection with the action plan against pollution which were worked out last fall show, however, that removing the sulfur from heavy oil used in Sweden would not be at all cheap. The different investigations indicated costs around 400 million up to two billion kronor.

"The question then is whether the cost is reasonable," said director Stig Lundberg at the Swedish Petroleum Institute. "Since 1979 we have reduced the consumption of heavy fuel oil by 66 percent, and the reduction continues at a rapid pace. The problem is tending to solve itself."

For the VPK and Lars Werner the pollution issues are not economic questions, but they are fundamental and vital to life.

One point on VPK's list of demands deals with heavy freight traffic on the highways. For transport for more than 20 [Swedish] miles, VPK wants it to go by railroad.

## 'Absurd Proposal'

This proposal, however, did not fall on fertile ground in the trucking industry. The vice chairman of the Swedish Trucking Association Jan Johannisson told SVENSKA DAGBLADET, "An extremely unrealistic and absurd proposal. There are 400,000 kilometers of highways in Sweden and only 10,000 kilometers of railroad. Furthermore there is a large number of municipalities in which the centers completely lack rail connections."

## New Waste Policy

VPK further demands a new waste policy with trash sorting in the households and recycling in the system plus development of dioxine-removing waste burning.

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POLITICAL

SWEDEN

# CENTER PARTY ELECTION PROGRAM SEEN EQUIVOCAL ON COALITION ISSUE

Stockholm DAGENS NYHETER in Swedish 10 Jul 85 p 2

[Editorial: "In the Interest of All the People"]

[Text] The campaign platform of the Center Party is a statement of independence.

The party has taken a stand on the nonsocialist side, with a call for budget cuts and tax relief. The Center Party is now more interested than ever before in breaking up public monopolies, subjecting municipal activities to competition, and opening the door to cooperative or private childcare. The boundary line between the Center Party and the Social Democrats has been clearly drawn--not only on the familiar issues of wage-earner funds, property taxes, and agricultural policy.

But the boundary line to the right is just as clearly drawn. The fundamental goal of the party is a "welfare state based on equality" and a "welfare policy based on solidarity." Other themes, of course, are free enterprise, regional balance, and environmental protection.

The introduction to the Center Party platform is a statement indicating that the party's policies must be in the interest of all the people--a summary of the Center Party's view of what a nonsocialist government should stand for. There is a clear contrast between this and the main slogan of the Conservatives: "On Your Side"--a slogan that certainly means not only standing on the side of the individual against the authority of the state, but also on the side of well-established citizens against other special interests.

Support for equality, the welfare state, and policies in the interest of all the people must be seen as an indirect formulation of the Center Party's position on the governmental issue. The party will support budget cuts and revisions, as long as they are necessary for economic balance and for financing welfare policies. But these cuts must not create regional imbalance or result in any Conservative-inspired change in the system. Policies of that type cannot be supported by the Center Party and, as a result, there cannot be a change in the system, regardless of whether or not the Center Party is included in the government.

Regardless of how unclear statements are on various controversial issues, they may nevertheless be useful in distinguishing between appearance and reality in the campaign debate. The government and the Conservatives have a mutual interest in presenting the campaign as a test of strength involving only two parties. Both are attempting to mobilize their supporters by presenting unrealistic expectations of changes in the system if there is a change in the majority. The Center Party reminds us that the content of a government's program cannot conflict with the basic values of any of the parties that support the government--whether these parties are included in the cabinet or not.

Is the Center Party strong enough on the many fundamental issues of today's politics? When the party backed away from its own stand on health insurance--which was not at all the same as the position of the Conservatives--doubt arose that has yet to be dispelled. The call by the party congress for lower food prices could be seen as an empty campaign promise. The statement that the cheaper food prices would be compensated by increased sales tax on other consumer items indicates, however, that this was not an empty promise of something for nothing--although the proposal is debatable for other reasons.

In general, the party's platform is extremely cautious when it comes to campaign promises and promises of budget cuts. There is practically no mention of what the party will do on the key issue in economic policy--inflation and its link to wage negotiations and budget deficits. All this can and should be criticized, but there are other, larger parties that have been just as silent on what their economic policies would be after the elections.

The Conservatives are often more interested in the more or less unconditional loyalty of the Center Party than in the policies of the latter. But each party must represent its own values and not just demonstrate loyalty to the positions of someone else. That may seem obvious, but it is not obvious in Sweden, which is dominated by block politics.

The Center Party message is that it is possible to vote nonsocialist and, at the same time, reject the change in the system proposed by the Conservatives. A clearer statement is needed, however. It is not enough to oppose, in general, both socialism and the Conservative project to change the system. A credible Center Party must also support a policy of reevaluating the welfare society so that it does not fall victim to economic imbalance. In fact, the system must be changed significantly if we are to avoid an involuntary change in the system as a result of inflation and uncontrolled budget deficits.

9336

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MILITARY

DENMARK

## AIRLINE DENIES MAINLY RESPONSIBLE FOR AIR FORCE PILOT DRAIN

### Pilot Drain Worries Government

Copenhagen BERLINGSKE TIDENDE in Danish 3 Jul 85 p 6

[Article by Helle Ravn Larsen: "Pilots Leaving Air Force"]

[Text] The air force is again confronted with big manning problems if it does not immediately intervene to stop the departure of fighter pilots from the air force to civilian aviation companies. Civilian pilot training could be the solution, according to Social Democrats.

It is causing concern both in the government parties and the Social Democrats that air force pilots are leaving the air force to go over to private aviation companies. The social democratic defense policy spokesman, Knud Damgaard, said that it is necessary that the defense minister take action now and intervene in this important issue.

According to the air force inspector, Major General B. V. Larsen, the situation is now so chaotic that by the beginning of 1986 the air force will be short 19 pilots, and the number will rise to between 50 and 70 if nothing is done here and now. In order to avert the situation he recommends that there now be a push in the efforts to have a civilian pilot training program established. "The problem is big and serious for the air force. Therefore Defense Minister Hans Engell (Conservative) should quickly take the initiative to setting up an agreement with SAS and the charter companies to create special training," said Knud Damgaard.

The Liberal Party member of the defense committee, Birthe Ronn Hornbech, does not believe that the establishment of civilian pilot training will stop the pilot drain from the air force. She questions at the same time whether there would be any socio-economic advantages to it.

"The military training is so good. We know that also from the other services, from which people later also went over to private concerns. It is, however, an unreasonable and serious situation which the air force is now in, and they are having planning problems," said Birthe Ronn Hornbech.

12 August 1985

Major General B. V. Larsen said that when one of the air force's fighter pilots goes over to a civilian company he represents a value of 10-11 million kroner, while updated calculations indicate that it would only cost 600,000 kroner for the companies to train their own pilots.

The calculations which the major general referred to were published in 1981 through cooperation between the Defense Ministry, Transportation Ministry and the Education Ministry.

#### Civilian Training Facility Soon

Copenhagen BERLINGSKE TIDENDE in Danish 3 Jul 85 p 6

[Article by Helle Ravn Larsen: "Civil Pilot Training Will Stop Pilot Drain"]

[Text] In 1987 there probably will be civilian pilot training which will help the air force's problem of expensively trained fighter pilots go over to civil aviation companies. The training will be financed by Norway, Sweden and Denmark plus SAS and the charter companies.

Even though Defense Minister Hans Engell (Conservative) is worried about so many fighter pilots leaving the air force for higher paying jobs with private aviation companies, he is optimistic about the future. The minister expects that a civilian pilot training program will be established in 1987. That will happen in cooperation with Norway and Sweden, SAS and the charter companies.

"The air force has a problem, and something must be done about it. But the truth is that the problem is common to Denmark, Norway and Sweden, and therefore the countries must solve it together, because it does not do any good to export the problems to each other," said the Defense Minister.

The minister's statement came after the air force inspector, Major General B. V. Larsen sounded the alarm and pointed out the air force's acute pilot problem. The fighter pilots are mostly leaving the air force, and future planning is almost impossible. He pointed out the necessity of having civil pilot training to stop the drain of pilots from the air force.

"We cannot enslave people in this country and force the pilots to remain in the air force for ever. Previously the air force did not have the large planning problems they have today. We know SAS's recruiting forecasts, but today there is greater uncertainty about them than there was previously," said Hans Engell, and he pointed out that Denmark is one of the countries that has the hardest regulations binding fighter pilots. Today a pilot is obliged to remain in the air force for 10 years.

Pilots, whose training costs fully 10 million kroner, can be trained for much less as civilians. Hans Engell estimates that civilian training costs between one-half million and one million kroner. As to who will pay this, he said:

"We are in steady contact with SAS, and the charter companies must also be drawn in. SAS understands the problem, and now we must find a key for dividing up the expenses. Also Norway and Sweden must participate."

The minister expects to have a meeting in August with the Transportation and Education ministers about how to attack the issue. In the best case the training can begin on 1 January 1987, so the first civilian-trained pilot can graduate during 1987.

#### SAS Rejects Charges

Copenhagen BERLINGSKE TIDENDE in Danish 5 Jul 85 p 3

[Article by Ejvind Olesen: "Only Every Second Fighter Pilot Remains With SAS"]

[Text] SAS's chief of aviation said that the air force is mistaken when it blames SAS for drawing in pilots. Only 10 managed to pass through the eye of the needle out of 22 applicants for this course.

Just because one is a good fighter pilot, he is not automatically ensured of access to a large international civil aviation company. From autumn until next spring SAS will use 40 new pilots, of which 10 will be from the air force, from which 22 applied. The remaining 30 were recruited from other civilian sources. Meaning charter companies and smaller companies with taxi aircraft and the like.

"I do not believe that we were dealt with justly by the air force. It is as though we uncritically employ pilots from that category. That is not half right, and we have proof of it.

"There are excellent pilots, but many fail because they do not have the right attitude of cooperation in the cockpit or with the large number of passengers in a civil aircraft," said the chief of aviation for SAS in Denmark, Erik Thrane. "Finally there are of course pilots who have overstayed their contract period of 8 years, as there are at present.

"I admit that we are indirectly hiring former air force pilots, because we for example hire pilots from a charter company who were hired by that company from the air force.

"As for civilian pilots, only one-third of those who apply are hired by SAS. That is primarily because a civilian pilot has never been tested for his qualifications for the job of pilot. Their technical knowledge is often too little. Unfortunately the boundary between whether one is a pilot or merely an advanced sport flier grows dim. There are many good pilots who have to work freelance with payment for the number of hours they fly. Indirectly we can now take part in sharpening them up and creating real jobs for those who are qualified. So can the small companies.

"In SAS we employ about 350 Danish pilots from which we lose four or five per year for health reasons," concluded Erik Thrane.

#### Uncertainty of Being a Fighter Pilot

The Defense Department's pilots association yesterday replied to the call of alarm from the air force. According to the association, a large group of fighter pilots were informed that they would be separated at the end of 1985. (Something that SAS often hears as the reason for an application.)

The temporary pilots are separated at age 35. The permanent pilots can fly somewhat longer, but the SAS age limit of 60 years is very attractive. The obligatory further training is not exciting for the young. They live on air stations in an area of Jylland and must go to school in Copenhagen annually at their own expense.

At the same time it is also said that there is a large shortage of pilots in the United States and in our neighboring countries. Therefore it is predicted that pilots from fighter squadrons, transport and rescue squadrons and helicopters will look to civil aviation in the coming years.

9287

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MILITARY

NETHERLANDS

#### HUYSER ON ARMY STRATEGY, TECHNOLOGY IN YEAR 2000

The Hague ONS LEGER in Dutch Jun 85 pp 12-13

[Article by R. Scholten: "Defense in the 21st Century. Chief of the Defense Staff: No More Role for Nuclear Weapons?"]

[Text] Defense in the 21st century will undoubtedly be very different from that of the 20th. Accurate predictions are impossible. One can only indicate trends. One should not totally exclude the imagination in this process. In addition, it is wrong simply to project today's ideas into the next century. That is what our top military man, the chief of the Defense Staff, said.

#### Factors

In a lecture to several hundred reserve officers and representatives of ONS LEGER on 18 April 1985, the chief of the Defense Staff, General G.L.J. Huyser, developed a number of thoughts on defense in the next century. He did so by discussing three dominating factors that will influence what defense will look like in the future: politico-strategic relationships, man, and technology. The last-named factor is possibly much the most important.

In the politico-strategic area, according to the general, the East-West relationship, into which are woven NATO and the Warsaw Pact, will continue for a long time yet to determine the world scene. This despite very possible shifts within that relationship, despite the displacement of the economic center of gravity, and despite the North-South relationship and the areas of tension scattered around the world.

Politico-strategic thought in the Soviet Union clearly has two sides: one defensive and one offensive. The first is based on the firm will never again to permit a Napoleon or a Hitler on Russian territory. Seen from a historical point of view, it is very easy to understand. The second is based on the striving toward world domination by Communism, i.e. the Soviet interpretation of Communism.

All means, including military power, are available to serve the spread of Communist ideology. Nuclear weapons are no problem for the Russians just as long as they fulfill their role in that double striving. Because of

the increasing military power, the offensive threat has greatly increased in the past 10 to 15 years. One cannot deny that. General Huyser sees no reason to suppose that this Russian thinking will alter. He does believe that the future could well be a period of Finlandization. It is then that the Soviet Union, with the help of its great military potential, will continue the psychological warfare already underway.

The other superpower, the United States, is essentially striving for the same things. It too wants no occupying forces on its territory, and it too would be happy to see its ideas spread over the entire world. There is a clear difference, however. In the United States there is no trauma like the Russian one on the subject of occupation. And as for its ideas: they "are carried by the wind," thanks to a strong economic and financial position. An essential difference with political consequences for the 21st century. An important problem for the Americans is that public opinion, in contrast to that in the Soviet Union, is more and more strongly rejecting the dominating role of nuclear weapons. Public opinion demands alternatives from the conventional area. The question that faces us on the eve of the new century is whether we will also have to make use of space for that purpose. General Huyser thinks it possible that we will soon have to revise our military strategy and will be able to be less dependent or even entirely independent of nuclear weapons. The United States is now already taking a leading role in this.

One thing is certain: strategy will continue to aim at preventing war. Deterrence will therefore continue to play a dominant role.

Man

Talking about the future in regard to man is not easy. It appears certain that in the next century man, under the influence of technological developments that still look like science fiction today, will behave differently. Some trends: We will have to deal with a falling birth rate. Germany, for instance, will be 100,000 conscripts short every year in the 1990's because of this. In the year 2000 half of the American population will be over 40. In the coming years the Royal Navy and Royal Air Force may have to struggle with a serious shortage of pilots and air traffic controllers. This expected personnel shortage can be solved only in part by taking women into the armed forces.

From a social and cultural point of view too there is talk of shifts. Man will become more and more strongly tied to his surroundings, under the influence of much increased free time, hobbies, group memberships, etc. Because of that he will be harder to move around. It is also legitimate to ask whether he will still be inclined to bind himself to a single profession, such as the military, for his entire working life.

World War II's trauma is receding more and more, and with it too the emotional ties to the military profession. In part because of this people are going to regard that profession as just one among many. Less and less will it be for Queen and Colors that people attend the Royal Military Academy. It

is also very possible that an increasing number of people will want to serve for a limited time in the armed forces. The reserve officer will more and more come from the ranks of former short-term volunteers. The shortened working week--not unique to the military--will, if it continues to be introduced at a faster pace, force us to lengthen the service time significantly or to radically alter the system by which the army is formed.

An important role will also fall to the computer. We are still on the threshold of the new era. Today technology still controls man. Soon the roles will be reversed, and man will control the computer and integrate it fully into his existence. Then artificial intelligence will be a routine affair.

### Technology

Emerging technologies (ET) and the Strategic Defense Initiative (SDI), popularly known as Star Wars, are "hot items" today. ET is basically nothing new. The concept received an enormous political weight, however, after U.S. Secretary of Defense Weinberger raised the issue in an emphatic manner within NATO in 1982. It is basically a matter of so pushing research and development that we take a big step forward with the improvement of our conventional defense. Some examples: The computer permits us to work faster in the area of data processing and communications. Microelectronics and laser beams make it possible to extend the field of battle far into enemy territory. That is of great importance in seeking out targets but also in deploying weapons at the right place and time. Weapons will be more and more of the "intelligent" type, seeking out targets, thanks to robotization and automation. Robotization is at present still not used in defense. But that will change. It will appear both in the operational and in the logistical areas. Later generations of robots will be able to adapt themselves independently to changed circumstances without people's having to reprogram them again from time to time. They will be able to distinguish friend from foe and make an important contribution to the ability to fight "around the clock." Robots will work in space too. Science predicts that around the year 2000 it will be possible to place in geostationary orbit space stations of 100 square meters with an antenna of around 300 meters, and that in 2020 that will have increased to 10,000 square meters and 1000 meters respectively. Note well: man will have to keep firm control of all that. "Command and Control" will thus (have to) remain in the hands of people.

SDI is aimed to provide a defense against ballistic missiles by installing sensors and weapons in space. Any system will have to be cost effective and safe against counter-measures. If that turns out to be effective, there still remain the threats from cruise missiles and tactical nuclear weapons. the U.S. government is thinking aloud, however, that it will also be possible to find a solution for them. If the politicians in East and West are willing to exploit the technological knowledge in this area, then General Huyser thinks it not impossible that nuclear weapons will play no more role in the 21st century. The opposition that SDI is facing at this moment may be the result of its unfamiliarity. He agrees with the prediction made by General Berkhof in his book DUEL OM DE RUIMTE [Duel for Space], that

the Americans will persevere with the research. At this moment they see in it the only possibility of ever escaping from the great threat to mankind. It may well be that in the next century people will look very differently at SDI than the average European of today does. Very possibly the most important problem will be the anything but stabilizing nature of SDI. Without stability, there is no guarantee of international security.

### Defense in the 21st Century

The central problem is the search for new paths leading to a defense that is less or not at all dependent on nuclear weapons and at the same time is also affordable. For that purpose the United States wants to exploit its technological headstart over the Soviet Union. Its allies are critical and follow the United States with reservations. Public opinion in the West plays an important role in this. The Soviet Union plays ably on that and will continue to do so. The strategy of Flexible Response, which includes Forward Defense, will be retained for the time being, for how long you cannot say. Operationally people are looking for new tactical (sub-)concepts, such as for instance Follow-on Forces Attack (FOFA), the intention of which is for the forward defense to discover and attack Warsaw Pact units on their own territory sooner than happens now. Our fighting forces will have to consist of smaller and more mobile units with greater fire power, and they will have to be more flexible. Large concentrations of tanks and surface ships, for instance, no longer appear to have any meaning. Influenced by technology, infantry and cavalry will finally merge completely with one another.

NATO is presently taking a new look at everything it does in order to set new priorities for the future. It may be that at the start of the 1990's each country will no longer be able to fulfill every NATO task independently. Replacing weapon systems one for one will no longer be possible, but also will no longer be necessary. People will be thinking in a much more system-oriented way, and there will be a greater need for ready units on the spot, which will be achieved not by having more people there but by applying modern technology. In connection with this, there will be a need to have fewer units available for mobilization, or for none at all.

At first glance the important strategic principle of "surprise" will be relegated to the background. However, the parallel development of intelligent weapons and of faster reaction times will again favor surprise.

An entirely new picture of war is appearing: just as after the appearance of nuclear weapons: much more technical with many fewer people. ET and SDI will make this possible.

The chief of the Defense Staff had begun his lecture by saying that he would be able only to indicate a number of trends, without completely excluding the imagination. At the conclusion he expressed the hope that man would continue to control technology. He also hoped that defense in the 21st century--whatever form it took--would in any case be able to prevent disasters such as world wars. Who would not join him in that hope?

MILITARY

SWEDEN

## SOVIETS EVINCE INTEREST IN GULF OF BOTHNIA HARBORS

### Literature Requested from University

Stockholm DAGENS NYHETER in Swedish 27 Jun 85 p 8

[Article by Nils Claesson: "Defense Scrutinizes Soviet Book Loan"]

[Text] Scientific libraries in the USSR have ordered literature from the University of Lund library. The Soviet orders lead the library to alert the general staff in Stockholm.

The Russians were interested in the depth and capacity of Norrland harbors as well as Veberod on the Scanian coast.

"What is involved is community publications and local histories," says Nils Palmborg, head librarian of the university library at Lund.

### Jigsaw Puzzle

"When the Soviets wanted access to advanced scientific works on the depth and capacity of Norrland harbors, we contacted the defense staff," Nils Palmborg says.

The matter is not dramatic. It does not involve information which can harm Sweden," says Bertil Lagerwall, chief editor in the defense staff's information section.

Nevertheless, he thinks it can involve intelligence activity on the part of the Russians.

"The great powers are all the time doing jigsaw puzzles. For example there are in the embassies intelligence officers who are employed to finecomb Swedish newspapers and other publications," Bertil Lagerwall says.

### Any One At All

In regard to information regarding the depth and capacity of Norrland harbors, it is available in the Swedish Pilots' Guide which can be purchased at any of the sales outlets authorized by the National of Shipping and Navigation.

"Any one can purchase the publications. The contents are examined by the military before they are published," says Folke Persson of the NASA which prepares "The Swedish Pilots' Guide".

#### Obliged to Lend

The university library at Lund is obliged to loan publications to scientific libraries around the world. In Sweden everything published in the country is filed at Lund and at the national library in Stockholm. But Lund handles the lending.

The orders from the Soviet libraries have now been met.

#### Paper Comments

Stockholm SVENSKA DAGBLADET in Swedish 27 Jun 85 p 2

[Editorial: "The Soviet"]

[Text] The interest of the Soviets in our coasts appear to remain great.

Most recently it has been evident in the special loans from the university library at Lund to Soviet libraries of books which describe in detail the Norrland coast.

On the basis of the most recent newspaper reports, it appears that the library at Lund must have made some mistake in an earlier delivery. Some book on the Gullmars fjord must have slipped through by mistake.

6893

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MILITARY

SWEDEN

#### AIR FORCE CLOSES BASE NEAREST STOCKHOLM

Stockholm DAGENS NYHETER in Swedish 20 Jun 85 p 31

[Article by Agneta Gunnarsson: "Last Draken Leaves Tullinge"]

[Text] On Monday flights of F 18 from Tullinge will end. With that Stockholm will be without its own air defense. Uppsala and Norrkoping will have to defend the capital from air attacks.

"Tullinge is needed. But we have not gotten the necessary economic resources," Sven-Olof Olsson, chief of the Air Force, stated in his words of appreciation at the final ceremonies on Thursday.

#### Decommissioning Makes One Feel Sad

"Closing down makes one feel sad, Colonel Sture Erlandsson, chief of F 18, said as a J 35 Draken roared over him in its final maneuver.

This is the fourth closing of a flotilla in which Sture Erlandsson has participated. He has previously experienced the closing of F 8 at Barkarby, F 2 at Hagernas and F 1 at Vasteras.

He shall now be in charge of winding up affairs at Tullinge. The disappearance of airplanes does not mean that F 18 actually ceases to exist. The gates will not be closed for a year.

After that Tullinge will be kept in a state of readiness so it can be used in a crisis. The communities in the area are also developing plans for a civilian air field. But it is not yet known how things will go in this regard.

#### Petter Rod in Formation

F 18's own fighter wing was terminated in 1974. In recent years Tullinge has had on loan a squadron of Draken planes which were transferred from the wing closed down at Vasteras but actually belonged to F 16.

On Thursday the nine planes - the squadron Petter Rod [Peter Red] as it is called in military parlance - made its last flight in precise formation. As the other planes landed, Alvar Nyren, the squadron chief, made a final salute sweep in his plane which was painted red for the day.

When he had landed, there were only three rather than four squadrons in the middle air defense sector. Something which its chief, also chief of F 16, Karl-Eric Fernander is worried about.

"This is an important sector--the country's politicians and military leaders are here, as well as 4 million people, half of Sweden's total population.

"As evidence of our defense policies, we should have a new fighter squadron of Viggens in this sector," Karl-Eric Fernander says.

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MILITARY

SWITZERLAND

INTEGRATED MILITARY TELECOMMUNICATIONS SYSTEM PLANNED

Zurich NEUE ZUERCHER ZEITUNG in German 29 May 85 p 39

[Text] With an expenditure of about 1 billion Swiss francs, the Swiss Army wants to completely transform its wire-communication and directional-beam networks in the coming 10 to 15 years. Thanks to rapid technological progress in the field of telecommunications, a concept that has already been on hand for a fairly long time can now be taken up gradually. This meets the need for modern, efficient means of transmission.

At present, communications traffic up to the level of regimental combat teams is largely being ensured through combined wire-communication and directional-beam systems. These are organized essentially in a hierarchic fashion, and thus are directed from the highest command echelons downward via several channels and become ramified by way of the end participants according to their respective needs. Moreover, command networks heterodyned by radio means link the separate command posts with one another and serve to transmit orders as well as messages. Control networks likewise carried by radio permit voice communication between the commanding echelons during the conduct of the battle.

PTT Network as the Backbone and Framework

The landline communications of the army, especially those of the divisions, are based to a considerable extent on the cable communications networks of the PTT [Postal, Telegraph, and Telephone Administration], which in this respect form their essential backbone and framework. In addition there are various in-place and to some extent permanent networks of the army, the territorial zones, and the combat brigades. The linkage among these networks is not simple. Often direct contact between the separate headquarters is not possible, which leads to an overloading of the transmission centers and thus to an impairment of transmission quality. In connection with troop and command-post exercises at the operational and higher tactical level, it has become clear that because of the system itself the information-transmission troops responsible for operation are often scarcely able any longer to safeguard overall control from the outset and to operate the networks without trouble. In any case these networks have assumed such dimensions and have become so complex that it is no

longer easy to cope with the manual relaying of conversations. If we are to get past the critical phase before the outbreak of a military conflict in Europe and immediately following general war mobilization, it is precisely here that our militia system must be able to demonstrate a high initial efficiency.

At present one of our most vulnerable weaknesses is our extensive dependence on the PTT network, whose subscriber-line density is accommodated essentially to commercial considerations. Therefore the minor exchanges or switching centers are located mostly in the larger towns and areas of population concentration in our country and are built above-ground without any special protection, which additionally increases their vulnerability to the effects of weapons and acts of sabotage. Furthermore, nowhere in the extensive communications system of the PTT is there any protection from the nuclear electromagnetic pulse (NEMP) that occurs with the detonating of atomic explosive devices. These facts, and the circumstance that the directional-beam facilities of the army that have existed for more than 20 years must be gradually replaced, have led to a fundamental rethinking of the current conception.

#### The Grid System as the Optimal Solution

Therefore at present the desire is to conceive, develop, and provide a system that is independent of the PTT, is flexible, efficient, cryptologically secure, automatic, and carried primarily by directional-beam facilities. Moreover, it should be resistant in the best possible way to the effects of electronic warfare and NEMP and in addition should be utilizable by the entire army and permit all types of operation such as voice communication and text, picture, and data transmission. From the very beginning there was an awareness that such a network that covered the nationwide needs of the army can be realized only by means of a so-called grid system. Grid systems are characterized above all by the fact that they still optimally utilize the remaining links even in the case of interference or partial destruction.

Besides the grid system, other elements of the Integrated Military Telecommunications System 90 (IMFS-90) are the additional communication links, the automatic junction centers--which take over the search process between the connected-up units--and the end-participant equipment. The grid system consisting of communication links and switching centers is commonly designated as the nodal tier. It consists of a large number of predominantly permanent nodal relay centers and the directional-beam network connecting them, for which a new device having the designation R-915 is being provided. A backup by wire or optical cable is planned. Thus this nodal tier could be designed as a relatively fine-drawn network, because the efficient control processors needed for complicated search processes have become increasingly more compact in recent years and so a decentralization of "intelligence" becomes possible. In this way, one can avoid a concentration of the system in just a few and therefore vulnerable nodal relay centers.

Troop units that have so-called local relay centers and thus free access to the nodal tier are comprehended under the concept of the end-participant tier. A modified digitalized small directional-beam station R-902 normally provides the link between the nodal-relay and end-participant tiers. Where necessary, the multichannel device MK-7 permits the combining and separating of digital multichannel groups (multiplexing and demultiplexing). With a crypto-accessory unit CZ-1, the transmitted messages are encrypted and decrypted "on-line" for the sake of information protection. Consequently messages can be transmitted in clear text, which means not least a savings in time.

#### Automatic Dial-up Independent of Location

Among other things, digital end-participant stations, teleprinters, and devices for the transmission of data and video materials can be connected up as terminal equipment. With the digital telephone sets, which are to partially replace the present crank-operated devices, dial-up by each troop unit that is integrated in the system will be possible independently of the respective location. The command posts of the army, the flying troops and anti-aircraft troops, the army corps, and the divisions, territorial zones, and brigades are to be allowed to have local relay centers at their disposal. Combat regiments, some battalions and operations sections, and also certain logistical formations are likewise receiving local relay centers.

#### General Contractor from the Private Sector

But these will be only visions still until the middle of the 1990's. Such a complex project can be developed and realized only step by step. Within the framework of a combat effectiveness upgrading of transmission, the first components of this have already been included in the 1984 Armament Program--namely, multichannel devices (Hasler, Philips, Siemens-Albis), enciphering devices (BBC, Gretag), modification kits for the small directional-beam station R-902 (BBC), and digital interfacing devices for the directional-beam station R-910 of the flying and anti-aircraft troops (Philips). The indicated expenditure appropriations run to 178 million francs, and the impact of these appropriations is to be on domestic business to the fullest possible extent. Other devices, especially the new directional-beam station R-915, are to be incorporated in the armament programs of coming years.

The pretesting phase has been concluded in the area of automatic relaying, and the system was incorporated into the 1983 Research, Development, and Testing Program (FEVP). This year, the system definition phase is to be completed and a general contractor is to be designated from the private sector--Siemens-Albis and STR are competing for this--which will be responsible for the further implementation of the project. Subsequently a pilot system is to be realized on the scale of the requirements of one division. It is anticipated that the communication-relaying portion of the IMFS-90 can be included in the 1990 Armament Program at the earliest. With the timely designating of a private-sector general contractor--it is to be a company that has had particular experience in the field of communications

projects and a corresponding footing also in other countries--the idea is to create the prerequisite for a speedy implementation of the project. In the EMD [Department of Military], a project organization is in operation for managing the project. Represented in this organization as support agencies, besides the GRD [expansion unknown], are the Federal Office for Communication Transmission Troops, the Staff of the Group for General Staff Services, as well as the Federal Office for Military Airfields and the Military Material Administration.

#### Switzerland Goes its Own Way

The IMFS-90, once it is realized at about the turn of the millennium and is tested in troop applications, is to include the in-place and in part permanent networks of the army, the territorial zones, and the combat brigades as well as the troop networks of the freely available forces. Although in other countries automatic telecommunications systems are already in use, nevertheless in a certain sense Switzerland is treading on new ground because of the broad requirements involved. For example, in the FRG such networks exist only in the corps that are strictly for the combat and combat support forces. In the British Army of the Rhine as well, only the combat units are connected up to the automatic system in use there.

On the other hand, our 1966 concept for military national defense and our 1973 security concept require additional efforts. The logistical units, the territorial organization in its full diversity, and also the partial embedding of the civilian component all call for a solution which is ramified to the utmost. Therefore some thought will still be needed before a system is available which measures up to these requirements in connection with exceptional and rapidly changing situations as well.

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CSO: 3620/381

ECONOMIC

NORWAY

## REPORTS OF STRONG GROWTH, SLOWED INFLATION AS ELECTION NEARS

Government, Industry Reports Agree

Oslo AFTENPOSTEN in Norwegian 11 Jul 85 p 9

[Article by Ulf Peter Hellstrøm: "Central Statistical Bureau's Economic Report: Norway in Strong Boom"]

[Text] The boom in private consumption is an important reason for the fact that Norway's economy is now growing strongly. The Central Statistical Bureau's recent economic report contains estimates which point toward a growth of at least four percent this year in mainland Norway's economy. Inflation will remain at the utmost limit of 5.5 percent, while unemployment will drop throughout the fall. The growth in the annual product can remain at a good two percent from 1984 to 1985, the Central Statistical Bureau believes, which points out that the growth in imports and the fairly moderate rate of growth in industrial production involve a considerable loss of market shares.

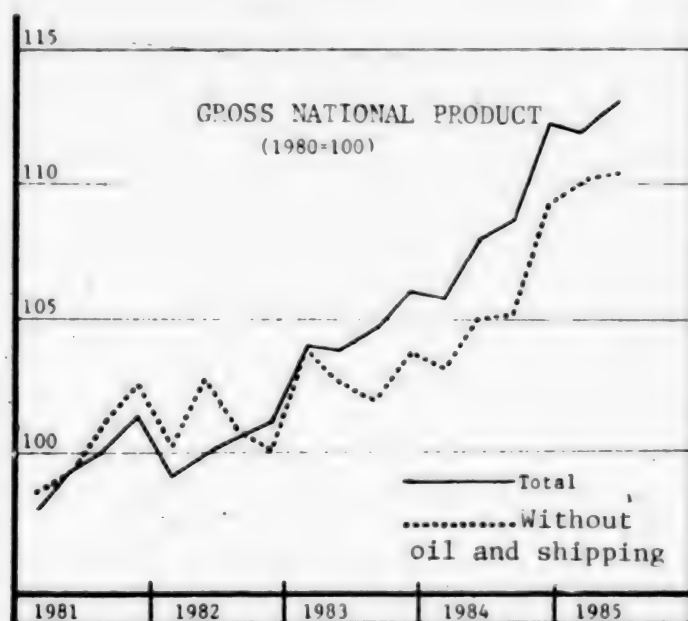
The estimates from the Central Statistical Bureau are based on quarterly national budget figures and estimates for the second quarter of this year. The estimates indicate that the gross national product (GNP), excluding oil and shipping, over the course of the last 12 months has grown at an annual rate of somewhat under six percent. Although it is assumed that the growth in the second half-year will be somewhat lower, the bureau figures that the growth in GNP from last year to this year will probably be at least four percent. This is higher than the estimates which appeared in the revised national budget in May.

The growth in Norway's GNP, including oil and shipping, was 3.8 percent last year and 3.9 percent the year before. By comparison, the growth in 1979 was about five percent, while big investments in the oil business in the middle of the 1970's resulted in economic growth of seven percent in 1976.

The improvement in Norway's economy has now been taking place for over two and one half years. This is unusually long compared with earlier economic waves. It has taken a long time before the improvement in Norway spread to domestic demand. Now the growth incentives from abroad are weaker than before; today they come especially from private consumption.

Estimates for the first half-year point toward a growth in private consumption of eight to nine percent as compared with the same period last year. This is due primarily to the fact that several consumers are going on vacation trips, as well as to increased purchases of private automobiles. However, the Central Statistical Bureau points out that the growth in consumption from and including 1979 and so far into the 1980's has been at about 2 to 2.5 percent, whereas the growth in the postwar period up to the middle of the 1970's was at 3.5 percent. A low growth in real wages and higher unemployment, as well as the level of interest rates, doubtlessly contributed to keeping the growth in consumption down.

The boom in the growth in consumption toward the end of last year was associated with the fact that the growth in real wages increased markedly last year. The Central Statistical Bureau foresees a growth in wage rates of almost seven percent this year, and a distinct growth in households' real disposable income this year, too.

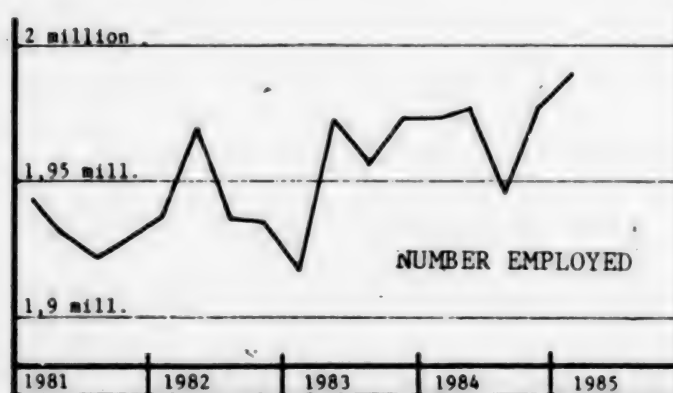


Tables show that the gross national product has grown strongly in the last few years. Employment also grew strongly last year, while inflation has now leveled off at between 5.5 and 6 percent.

### Manpower

The demand for manpower will continue to increase, especially in the protected trades. Employment in industry will hardly increase, especially because of improved productivity and longer working hours per employee. The growth in annual output in the economy as a whole will be able to remain as high as two percent. The Central Statistical Bureau figures that this will have only

a limited effect on employment in industry because more will gain permanent jobs, in addition to the fact that women working part time will have longer working hours. There is reason to believe that the underlying trend in unemployment will continue to be a decline, the bureau believes.



## Prices

The growth in consumer prices has been fairly stable up to now this year. The rate of growth of several import prices increased last year because of the dollar's climb and last year's regulations of the krone, and this prevented a further reduction in the growth. However, an anticipated lower growth in consumer prices in the OECD area will contribute to this growth in prices being temporary.

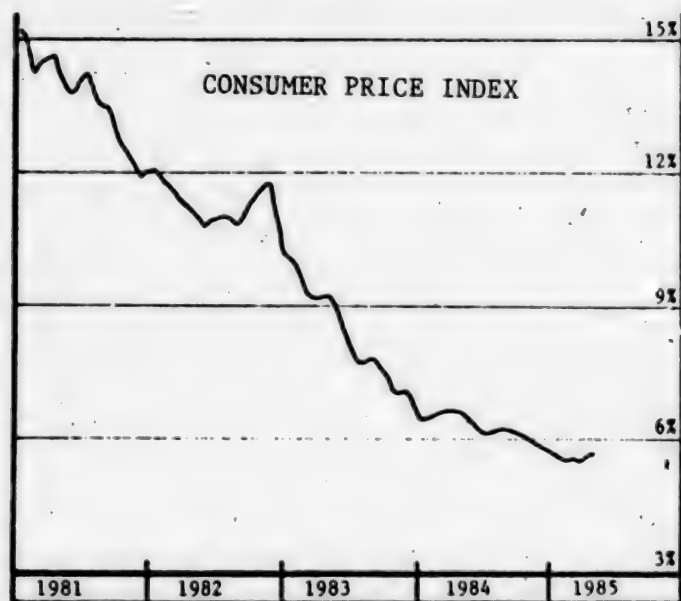
The Central Statistical Bureau, like the Norwegian Industry Federation, has recently pointed out that the rate of growth in wholesale prices has for a long time been higher than inflation for consumer goods sold at retail. This can indicate a certain suppressed cost pressure. However, the difference in the inflation rate is rather small. The Central Statistical Bureau concludes by saying that inflation and wage growth this year, too, will be somewhat higher than for our most important trade partners.

## Industry

Industry competing abroad has passed a production peak, while the service industries are in strong growth. The protected industries and those competing at home are growing more strongly than one year ago. This is largely speaking in accordance with the estimates which the Norwegian Industry Federation presented last week. The total rate of growth in industrial production declined from the last half of last year to the first half of this year.

The volume of exports of goods by industry competing abroad passed a peak toward the end of last year. All in all, the Central Statistical Bureau does not figure that exports of traditional goods will contribute to growth through the rest of this year. The demand for Norwegian export goods, however, is directed to a greater extent than before toward the more labor-intensive

branches of industry, so that this less favorable development will not have big negative effects on employment in industry to begin with.



The moderate growth in industrial production and a possible higher growth in imports than estimated in the revised national budget imply considerable losses of market shares for Norwegian industry. The Central Statistical Bureau believes that this loss will probably be due, among other things, to insufficient production capacity.

#### "Growth Without Higher Inflation"

"The pleasant thing is that we are now in so strong a growth in production without its breaking out into higher inflation." Finance Ministry Undersecretary Arnulf Ingebrigtsen says this in a commentary on the economic report from the Central Statistical Bureau. LO [Norwegian Federation of Trade Unions] Economics Office Assistant Director Øistein Gulbrandsen says that the government has conducted a more expansive economic policy than what the government itself had announced.

Ingebrigtsen believes that the Central Statistical Bureau's estimates show that Norway is in very positive economic growth. The economic boom in Norway is compensating the more level growth in international markets.

"The progress in construction and building starts is now characterized by strong growth in spite of the worries some time ago regarding the level of investment in housing. On the whole, we are getting a more positive picture of the situation than this spring, when the revised national budget was presented," Ingebrigtsen says.

The undersecretary believes the report makes it clear that there is no need for a more expansive economic policy. "On the contrary, the figures emphasize

that it is necessary to be very careful about policy overbids because of the danger of unleashing renewed inflation. The growth and the level of activity are now at such a level that there is becoming the danger of pressure in the economy, with the consequences this can have for higher costs and prices," Ingebrigtsen says.

LO Economics Office Assistant Director Øistein Gulbrandsen thinks that the estimates show that the economic boom in Norway is due to increased domestic demand. This confirms the alternative economic plans presented earlier by the Norwegian Federation of Trade Unions and the Labor Party, and which are based on the idea that a growth in demand is necessary in order to have greater activity in the economy, Gulbrandsen believes, who also points out that the government itself has conducted a more expansive policy than announced.

"The mystery in the long term is that Norway even in a period with such a high boom has not had a strong growth in employment. Job market measures on a large scale are necessary in order to keep unemployment down," Gulbrandsen says.

Norwegian Industry Federation Division Director Tor Steig is skeptical of so great a growth in production as the Central Statistical Bureau's estimates indicate. The growth in wages, reduced saving and the growth in investment together with increased public consumption have created a stronger growth in demand than expected. This gives a picture of an economy which is moving against pressure trends. The demand is providing price incentives which come at the peak of an unfavorable cost situation. The question is whether we thereby will be able to utilize the growth in demand internally in Norwegian industry so that the growth in production will really be so strong, Steig says.

#### Continued Moderate Inflation

Oslo AFTENPOSTEN in Norwegian 11 Jul 85 p 9

[Article: "Inflation as Assumed"]

[Text] The consumer price index rose by 0.7 percent from 15 May to 15 June and by 5.9 percent from 15 June of last year to this year. The rate of inflation from 1 January to 15 June of this year was 5.6 percent, compared with the same period last year.

Consumers' and Administration Ministry Undersecretary Erling Eide tells AFTENPOSTEN that with the growth expected for the rest of 1985 inflation will become 5.75.percent, which was used as the basis for the wage and income settlement.

Food increased 1.2 percent from 15 May to 15 June; the alcoholic-beverages-and-tobacco and clothing-and-footwear groups, 0.2 percent; housing, lighting and fuel, 0.4 percent; furniture and household articles, 0.1 percent; health care remained unchanged; travel and transportation, 0.1 percent; leisure time pursuits and education, 0.7 percent; and other goods and services, 3.3 percent.

12 August 1985

"We had hoped for a slightly lower increase than 0.7 percent last month," Undersecretary Erling Eide says. "Two things are important for further growth--the agriculture settlement and wage creep. Agriculture prices will show a somewhat lower increase than last year, and we hope the wage creep will also be smaller. The wage creep has also a positive side."

"This will lead to higher real wages and increased buying power. But it would be better with a smaller wage creep and lower prices."

That food prices increased by 1.2 percent in one month was associated with higher prices for new potatoes and vegetables. The other-goods-and-services group, which increased by 3.3 percent, "counts" seven percent in the index. The strong increase is associated with more expensive charter trips and hotel prices. Prices for charter trips went down at the same time last year.

#### Conservative Newspaper Praises Policies

Oslo AFTENPOSTEN in Norwegian 12 Jul 85 p 2

[Editorial: "Norway in Strong Growth"]

[Text] The Central Statistical Bureau's last economic report comes as a cheerful confirmation that Norway is in very positive economic growth. During the last 12 months the gross national product, excluding oil and shipping, grew at an annual rate of almost six percent. And even with a lower rate of growth in the second half of the year the bureau estimates that mainland Norway will have growth of at least four percent from last year to this year.

This is an even more favorable growth than appeared from the Finance Ministry's estimates in the revised national budget earlier this summer. We declare with special delight that unemployment--according to the Central Statistical Bureau--will continue to drop throughout the fall after a temporary increase on account of a temporary stepping down of job market measures and the reporting of unemployment by young people from higher-education institutions.

Another main point which we for our part find reason to stress is that the economic boom will scarcely increase inflation to begin with. According to the Central Statistical Bureau, inflation is expected to remain at the utmost limit of 5.5 percent. This is noteworthy. The increasing level of activity and the growth in total domestic demand should normally promise growing pressure on prices and costs. What to some extent will be able to compensate this is the favorable growth in production which can now be recorded.

The positive aspects of the last economic report seem to us conspicuous to such an extent that one should perhaps restrain oneself from embittering the cup of joy. However, it is not possible to look away from the fact that the economic boom will be able to strengthen the pressure tendencies which we already see a sign of. Although it is a balanced economic policy which the government is conducting, it is nevertheless expansive in its nature, with the price incentives which are a consequence of this.

We hope that the Central Statistical Bureau is right in its estimates with respect to inflation, something which, if so, builds up the impression that the government has conducted--and is continuing to conduct--a proper policy. However, what we feel totally convinced of is that the overbid line which the Labor Party and Gro Harlem Brundtland have made their leading issue in the election campaign would have catastrophic effects if it were to be implemented.

The strong boom we are now witnessing is of course clearly associated with a logical and carefully weighed economic policy on the government's part. It is once again optimism and the courage to press forward which characterize our economic life and industry. Now it is a matter of maintaining a steady course from now on.

#### Poll Shows Consumers Confident

Oslo AFTENPOSTEN in Norwegian 13 Jul 85 p 5

[Article by Anders W. Cappelen: "AFTENPOSTEN/MMI's Economic Barometer: High Pressure Enduring"]

[Text] Consumers in Norway continue to expect good economic weather without big fluctuations in temperature the next 12 months. According to AFTENPOSTEN and MMI's [Marketing Poll Institute's] economic barometer, there is a wave of high pressure over Norway's economy and the barometer needle is at the same high level as in the poll in October 1984 and January of this year.

The economic barometer measures the results of questions to 1200 Norwegian consumers regarding expectations for inflation, their own economic situation, and the general economic situation in the coming 12 months. The answers are weighed and converted into a uniform barometer figure. After a bottom in the beginning of 1982, the barometer has shown an evenly increasing trend up to the second half of 1984. Since then the poll has shown a leveling off and stabilization at a relatively high level.

#### Important Expectations

Their expectations for the future influence consumers' economic decisions and acts, and are consequently important for everyone involved in economic planning. Many economists use expressions of consumers' expectations in their more or less good models, and in economic policy planning an economic barometer can be a helpful tool which can give an indication of which remedies ought to be used. Not least for firms which operate in economy-sensitive markets, it can be decisive to get an indicator of how demand will develop.

Economic barometers will be able to forecast developments at an early point in time, especially in periods with large fluctuations in the economy and changes in consumers' expectations.

An economic or consumer barometer poll is perhaps first and foremost a frame-of-mind report which says something about consumers' feeling of uncertainty as

far as the economic situation in the future is concerned. The degree of uncertainty contributes to deciding the division of income between consumption and saving. An uncertain consumer will refrain from going to purchase durable consumer goods such as furniture, automobiles, etc., whereas an optimistic consumer will be more inclined to take out loans, invest in trips abroad, and the like. In turn, increased private consumption promises increased demand and a higher level of economic activity.

#### Optimism

MMI's economic barometer shows that consumers have become more optimistic the last three years. In May 1982, 11 percent thought that the general economic situation would become better in the coming year, while 27 percent believed in "good times" in May 1985. In May of this year, 25 percent of consumers figured that their own economic situation would become better in the next 12 months, versus 17 percent three years ago.

Other questions included in MMI's poll, which are not figured into the economic barometer, show also that people have a brighter outlook on the economy than previously. For example, 52 percent thought in May this year that the economic situation for Norway was better than one year ago, and 10 percent that it was worse. In May 1982 it was only seven percent who thought it was better, while a good 63 percent thought it was worse.

In May 1982 it was 32 percent that answered that their own economic situations were worse than one year ago, and 18 percent who said that it was better. In the last poll 27 percent thought that their private economy was better, and 17 percent that it was worse.

Consumers also estimate the risk of unemployment to be less than before. The May poll this year showed that 23 percent thought there would be more unemployed in the coming six months, while 41 percent expected fewer. In May 1982 it was 61 percent who feared increased unemployment in the next half-year, and eight percent who believed in less unemployment.

#### Expectations regarding:

#### Results in percent

	<u>May 82</u>	<u>May 83</u>	<u>May 84</u>	<u>May 85</u>
<u>Inflation the next 12 months</u>				
Will rise more strongly than up to now	22	7	9	7
Will rise at somewhat same rate as now	55	55	66	61
Will rise at lower rate than up to now	15	26	14	14
Will remain somewhat as now	3	5	4	9
Prices will drop	-	1	1	1
Do not know/not stated	5	6	6	9

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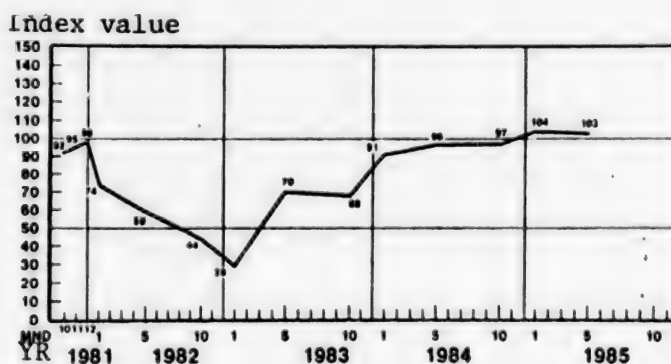
Own economic situation next 12 months

Will be considerably improved	3	4	3	5
Will be somewhat improved	14	19	19	20
Will remain about same as now	55	55	59	56
Will become somewhat worse	19	12	12	9
Will become considerably worse	3	3	1	2
Do not know/not stated	6	7	7	8

General economic situation next 12 months

Will be considerably improved	1	1	1	1
Will be somewhat improved	10	22	22	26
Will remain about same as now	38	44	50	52
Will become somewhat worse	38	23	15	6
Will become considerably worse	3	1	1	-
Do not know/not stated	10	9	11	14

MMI's Economic Barometer, May 1985



The May poll shows that economic activity will be at a high level also in the year to come.

Continued Inflation

Expectations regarding inflation are decisive for how consumers estimate real interest rates and thereby how attractive it is to take out loans. According to the May poll, 68 percent expect that prices will increase at the same or a stronger rate than now in the year to come. For the present, inflation is at approximately six percent.

In order to find the real interest rate or the actual interest on a loan, it is necessary to deduct the rise in prices or inflation from the nominal interest rate, and it must also be taken into account that interest can be deducted from income. With a 14-percent nominal interest rate on a loan, a tax differential of 50 percent and expected inflation of six percent, the real interest rate for a borrower will be only one percent ( $14/2 = 7$ ;  $7 - 6 = 1$ ).

In other words, it is still favorable to borrow money in Norway, and those who look after the money and credit policy can confidently count on the fact that the demand for loans will hardly be smaller in the time to come.

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CSO: 3639/138

ECONOMIC

SPAIN

# SPAIN'S SOLCHAGA SURVEYS ECONOMIC PROBLEMS

PM250945 Madrid Cambio 16 in Spanish 22-29 Jul 85 pp 44-47

[Interview with Spanish Minister of Economy and Finance Carlos Solchaga by Luis Diaz-Guell; date, place not given]

[Text] [Diaz-Guell] How does one feel when passing from a sectional ministry such as the Ministry of Industry to a major ministry such as the Ministry of the Economy and Finance?

[Solchaga] Nothing, you feel nothing. Ministers lose sensitivity extremely rapidly.

[Diaz-Guell] For dealing with the General Workers Union [UGT], too?

[Solchaga] Look, I believe that you must have a readiness for dialogue with the trade unions, but I also believe that you must maintain an attitude of firmness. You must always attempt to ensure that something positive emerges from the sum of results of that dialogue. And as regards the UGT, it seems to me important to achieve peace with it, although I believe that in the current situation it comes off worse than the government. What there can be no doubt about is that in the medium term the main loser is the socialist blueprint.

[Diaz-Guell] Some former Union of the Democratic Center [UCD] ministers have remarked that the PSOE looks like ending up almost as they did.

[Solchaga] The difference--you have said it--lies in the "almost." There are differences within the party, as in any other group, but I can assure you that, unlike in the case of the UCD, no Socialist Party member will attempt to wrest power from Felipe Conzaes.

[Diaz-Guell] How is the stance of the Spanish Confederation of Employers' Organizations [CEOE] assessed by the government? Do you believe that there is an investments strike by the private sector?

[Solchaga] The truth is that there is a misunderstanding here which is sometimes a consequence of mutual suspicions and could be the object of ideologization and politicization. I remember when at the end of last year some of us said that if the macroeconomic picture had improved substantially and business

surpluses had recovered, the time had come to begin to boost investment. Well, from that moment the employers came out saying that we must not blame them for there being no investment in Spain. That is, before anything happened, they were already on their guard. This was rather unfortunate, and the truth is that basically it is the leitmotiv of the CEOE's stance.

But setting aside the CEOE, which unfortunately has a tendency to engage in politics--beyond what is reasonable in the duties socially assigned to it--what is true is that it remains relatively difficult to invest in this country. There is not much room for maneuver, there are too many rigidities in the labor market, the social costs of the labor factor are high, the treatment of unearned income is discouraging, and there is even--something that is not attributable to this government--a devaluation of the employer's social role. So I would take good care not to judge the employers' work unfavorably, because the objective conditions for investing are still not optimum.

[Diaz-Guell] Will those rigidities in the labor market be tackled?

[Solchaga] Something has been done, although there are reasonable doubts whether it is sufficient. My instinct tells me that more is needed, and that the fixed cost of the labor factor--that is, the cost of compensation for shedding personnel--must be reduced. As long as we do not advance along that path, which does not mean that there will be freedom to throw people out, there will be no revival of investment. It must be remembered, although employers sometimes forget it, that unrestricted dismissal does not exist in any West European country. The point is that the costs of adjusting personnel levels should be tolerable. Otherwise, the alternative is to shut down and for everybody to go home.

[Diaz-Guell] As regards employment, what will the PSOE's election program for the next election propose?

[Solchaga] I believe that it is necessary to start saying that the forecast that there would be a certain recovery in the second part of the legislative term has not been fulfilled. Hence the assumption which we made that employment would begin to be created in the second 2 years has not turned out as we would like. And the public must be told this, and even that trends over the next few months internationally--in which a more rapid fall in U.S. economic growth must not be ruled out and it is not apparent that the strong European economies will take the lead in the recovery--are worrying.

[Diaz-Guell] Do you believe that public enterprise has been reorganized sufficiently over the past 2 years?

[Solchaga] Well, a considerable reorganization has been effected; the thing is that they [public enterprises] are difficult beasts to budget unless you have almost unlimited resources. That is, when you have an enterprise such as Seat [automobile manufacturers], whose financial burdens are equivalent to 20 percent of its turnover, and it is competing on the market with other enterprises whose burdens are only 3 percent, its results in the final balance

sheet are rather sluggish, unless you conduct an enormous cleanup of the assets and liabilities and take over its debt, or somebody gives it money.

The problem of the public enterprises in general is that they have insufficient capital, and if I do not make a sufficient contribution of capital this year their losses will tend to increase next year, as their financial burdens grow because of an insufficient contribution of funds. This is so in public and private enterprise.

[Diaz-Guell] There are cases such as the power companies, in which the consumer has paid for their reorganization through charges.

[Solchaga] Partly charges and partly--I say this in a lower tone--the stockholders, since they were being given 10 percent of profits in dividends, but for 3 years they have been given only 8 percent. Fine, since each 2 percent is equivalent to 20 billion or 30 billion pesetas, which are not going to the stockholders and are devoted to reorganizing the sector.

What we have done with the power companies--and this is important--is to disperse financial imbalances which were concentrated in a single enterprise which was having difficulties in resolving them throughout the system by means of exchanges of assets. The first thing that we did was to halt the nuclear program, which was absolutely excessive for the needs of demand. In turn, we have curbed the tremendous need for funds resulting from an investment program whose profitability was in doubt if demand was not increasing. Now that this has been done, imbalances are still detected, although they are no longer increasing excessively as previously. Those imbalances are the imbalances which will be dispersed by the exchange of assets throughout the system.

[Diaz-Guell] Can this be transferred to the Spanish National Railroad Network, Iberia [airways], Seat, and National Northern Coal Enterprise, or shipbuilding?

[Solchaga] No, because they are different situations. But there can be no doubt that if somebody invests fresh money somewhere a good result is achieved. Here the question is whether you have guaranteed viability in order to carry out proper management, because if not, even if money is invested, you could find it impossible to pull through. You will find yourself with a limited quantity of resources and that you cannot do everything at once. I would close down many public enterprises if the results were without repercussions, that is, if I did not have to answer for all the accumulated debts.

Sometimes several public enterprises offer three choices. First, to restore them to health by injecting plenty of money so that perhaps another enterprise will buy it out: This is usually the cheapest method, albeit the most painful. Second, to wait and see whether matters improve and to carry out only a small degree of remedial action because you do not have enough money. Third--consistently most expensive--to close it down and meet all the debts.

[Díaz-Guell] Some official estimates give an inflation rate for next year in the order of 15 percent.

[Solchaga] The existing approach to the battle against inflation has sometimes seized the wrong end of the stick. It is a purely theoretical exercise. This 15 percent seems to me a distortion of the facts. It is simply the result of a theoretical exercise which goes as follows: When such a level of deficit exists it means a debt, with a certain rate of interest, since every day the deficit increases as a result of the servicing of the debt. Hence the numerical result.

This is stated in an unofficial document, and one should talk in terms of forecasts. My forecast is that this year will close with inflation at about 8 percent. Next year I envisage the same level and, of course, I will be adopting all kinds of measures--monetary, customs, and trade measures--to ensure that inflation remains at 8 percent next year.

[Díaz-Guell] Will that also be the level of pay raises?

[Solchaga] This is more complicated. In my opinion, and as far as civil servants' salaries are concerned, the raise should be below 8 percent. How much below? That remains to be discussed. But let us say that 8 percent is the upper limit. It must be remembered that the economic and social agreement establishes a rate of increase of pay of between 90 and 106 percent of the level of inflation.

[Díaz-Guell] Which is the problem that most worries you in the overall state budgets now being negotiated?

[Solchaga] The basic problem is the overall volume, which must not be too great in monetary terms. The second major problem or drawback is the deficit. And at the moment the deficit is more critical than it was some years ago. Since the deficit has grown it presupposes a greater call by the public sector in the resources of the system and diminished chances of increased credits to the private sector. An attempt must be made to create some leeway that will make possible a certain recovery in the supply of private credit.

This is my philosophy and the principle which I intend to pursue throughout the budgetary discussions. My aim is to ensure that the deficit does not increase, despite the forces of inertia exerting pressure in that direction, and I am keen to submit to my colleagues and to Parliament a budget in which increased spending is not divorced from the overall growth of the economy and therefore does not imply a significant increase in the burden of the public sector. Furthermore, I am anxious that the deficit, as a percentage of GDP, does not exert pressure on the system's financial resources, thus preventing the recovery of credit investment in the private sector.

[Díaz-Guell] Within this scheme of things taxes would have to be increased to maintain the same level of spending with a smaller deficit.

[Solchaga] Yes, I believe tax pressure can be increased a little. But let me tell you how. First, the pressure of income tax will not be increased on those who pay it; in fact it will diminish. This is a government pledge, and I stand by it: to adapt tax rates to the new deductions, which are lower than before. Furthermore, I want to propose to the government that while we are adapting the rates we take the opportunity to grant concessions to family incomes when both partners are working. I believe this should be introduced for 1985 incomes.

I do not believe there is an increase in tax pressure; in fact I believe there is a decrease as far as employers' welfare contributions are concerned. Where do I hope increased tax revenue will occur? Well, where it is already happening: in the discovery of concealed income. In other words, it will come from the taxation of those liable for tax who have hitherto been evading it. Of course it will not come from income tax. I repeat that we will take the opportunity to examine modifications or the introduction of certain innovations.

[Diaz-Guell] Could these innovations include the taxation of unearned income?

[Solchaga] This is an issue which, whenever it is broached, cannot affect 1985 tax statements. It is an issue that must be examined specifically, inasmuch as there must be more equitable taxation of unearned income. It seems to me that the present situation as regards unearned income is causing people to hesitate a great deal before investing venture capital. This is terrible, and we are actually destroying the chances of an increase in venture capital.

[Diaz-Guell] Despite your intention to reduce the deficit, some people believe that in an election year it will be very difficult for you to curb spending.

[Solchaga] I know that my role in this government is to cut the public sector deficit and to combat all the pressures to increase spending. The fact is that experience has taught me that deeds are more important than words. I do want to guarantee that there is no way that the deficit will escape my control for any reason at all.

[Diaz-Guell] How can such a guarantee be provided when there has been talk of a collegial management within the economic sphere?

[Solchaga] I do not know where this idea of a collegial management originated. I have not heard anyone mention it. The only one who could have said something about economic policy is the prime minister, and what he has said is that it is still the responsibility of the Economy and Treasury Ministry. This, moreover, with the same degree of trust enjoyed by the previous minister.

[Diaz-Guell] How is the process of negotiations for the transfers to the autonomous communities proceeding?

[Solchaga] At present the system of negotiation of transfers is poor and must be corrected; furthermore the functioning of the autonomous communities' treasuries is not as we would wish, and this must be remedied. We will clearly have to introduce a new law on the financing of the autonomous communities in an attempt to correct the defects that have become apparent. At present there is a dual situation with regard to the autonomous communities. On the one hand the majority of them receive transfers of funds which, being accompanied by equipment and personnel, enable them to enjoy an abundance of resources and thus to indulge in their wastage or misuse. On the other hand, in contrast to this situation, there are other more experienced autonomous communities, such as Catalonia, whose financing structure condemns them to a shortage of resources and thus to a constant call on the financial markets through the issue of bonds or the negotiation of credits.

CSO: 3548/158

ECONOMIC

SWEDEN

# BANK ECONOMIST WARNS OF 'NEW COST CRISIS' HURTING EXPORTS

Stockholm SVENSKA DAGBLADET in Swedish 29 Jun 85 p 30

[Article by Lars-Georg Bergkvist: "Sweden Facing New Cost Crisis"]

[Text] Sweden is facing a new cost crisis of the 70's type. The export industries began a year ago losing shares of the market. Now that development is accelerating. This was the warning of bank economist Staffan Grefback of SE Bank in the latest issue of the bank's publication EKONOMISKT PERSPEKTIV.

During the wage explosion in the mid-70's industry's wage costs rose by about 20 percent per year. The figures now in absolute numbers are significantly lower.

But that applies also for our competitor countries--above all West Germany. There wage and price increases have remained at the 2-3 percent level.

There are many indications that industrial wages in Sweden are rising by double--seven percent--this year, according to SE Bank. And everything indicates that the level is going to be about the same in 1986.

That can cause Sweden to go directly into a new cost crisis with strongly worsened possibilities of in the long term keeping the living standard up and unemployment down.

## Concealed Problem

During the past 2 years a powerful increase in productivity--according to preliminary information a total of 15 percent--concealed industry's wage cost problem, confirms Staffan Grefback.

But that is largely a business cycle effect. Productivity in Swedish industry swings with the business cycles in an entirely different way than in our competitive countries.

That is because firms retain their manpower even in bad times with low utilization of capacity. When the business cycle turns upward again the firms can increase production without increasing wage costs--and automatically have a productivity increase calculated in units produced per hour without hiring more personnel.

Between 5 and 10 percent of productivity increases during 1983-84 can be explained this way.

Over the long term, on the other hand, the figures show that our increase in productivity is about the same as in West Germany, for example: four percent per year for the past 20 years.

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CSO: 3650/287

ECONOMIC

SWEDEN

# BUSINESS INSTITUTE FORECAST EXPECTS SLOWED INDUSTRIAL GROWTH

Stockholm SVENSKA DAGBLADET in Swedish 10 Jul 85 p 23

[Article by Carl von Essen: "Worse for Industry According to KI Prognosis"]

[Text] Industrial business conditions were dampened considerably during the second quarter according to the latest KI [Institute of Economic Research]. We are not on the way into a crisis, however, according to Bengt Pettersson, branch chief at KI.

In the KI barometer it is arranged so that 2,200 companies get to fill in a form about what they think about the development of, for instance, orders, production and inventory. This is done quarterly.

Developments during the second quarter indicate an increased domestic demand which, however, is less than expected. The demand from abroad, which was expected to grow, failed to appear and the decline in orders was extensive in several industrial branches. Opinions on the volume of orders also declined.

The total industrial production increased somewhat, but the increase was less than expected. Production in the manufacturing industry also declined, but it is still higher than the average for all of industry.

## Too Large Inventories

As for the development of inventories the judgment of the firms was largely unchanged from March, with about one-fourth who consider that raw material and manufactured goods inventories are too large. The number of firms raising prices is less than last year during the same period, but that is mainly because of price increases in the forestry industry, which has caused their worsened market situation

The employment situation was improved for employees, especially in the manufacturing industry. The increase in employment which has gone on for over a year for workers ended, however. The need for skilled workers and technical employees is still very great.

Going into the third quarter the growth of industrial production is expected to stop almost entirely. Orders from the domestic market will remain almost unchanged, while export orders are expected to grow somewhat. On the inventory side, the firms surveyed expect to be able to reduce raw material and manufactured goods inventories. It is noteworthy that the purchase of raw materials is expected to decline for the first time in 2 years, probably because of the reduction in manufacturing.

Employment will remain unchanged for workers, but will continue to improve for employees. The increase for employees is expected to decline during the fourth quarter, however.

Comparing production growth between the first and second halves of the year, the firms believe that production is going to be higher during the second half of the year.

Bengt Pettersson, who is responsible for the KI barometer, told SVENSKA DAG-BLADET that a dampening of business conditions is clearly on the way, but it should not be exaggerated.

"Investment is no longer expected to be expanding, and relative prices have clearly worsened. One can calmly confirm that the effects of devaluation in 1982 have been overcome. It is, however, wrong to compare the present situation with what was happening before devaluation in 1982. It is not yet that bad.

"On the positive side the international business conditions are developing in a positive direction."

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ECONOMIC

SWEDEN

BRIEFS

INVESTMENTS IN INDUSTRY INCREASE--Investments in industry rose last year to 23.8 billion kronor, according to the Central Statistical Bureau which now has established the definitive results for 1984. The figure (in current prices) is 700 million higher than the preliminary information in February. Investments thereby increased by 17 percent from 1983-84--but here the CSB notes that 1983 had the lowest investments in 20 years. During 1984 investments increased most in construction--by 43 percent--and in machinery by 11 percent. Almost all branches report investment increases and figures of over 20 percent are noted for the textile, wood processing, iron and steel industries and most parts of the manufacturing industry. [Text] [Stockholm SVENSKA DAGBLADET in Swedish 1 Jul 85 p 23] 9287

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ENERGY

FINLAND

## FIFTH NUCLEAR POWER PLANT INCLUDED IN LONG-RANGE PLAN

Program for 1990s

Helsinki HELSINGIN SANOMAT in Finnish 19 Jun 85 p 33

[Article: "Ministry of Trade and Industry Wants Nuclear Power Plant; Proposal for Energy Program in 1990s Goes to Government in September"]

[Text] The Ministry of Trade and Industry (KTM) views construction of a fifth nuclear power plant as essential for the stabilization of Finland's energy supply. The ministry is getting ready a proposal for a 1990s energy program whose key item is the erection of two new large power plants.

One of the roughly 500-megawatt power stations would be a nuclear power plant, and the other would use peat as its fuel. The peat power plant would thus supersede the coal offered up until now as an alternative to a nuclear power plant.

The program is supposed to be finished during the summer and, according to Minister Seppo Lindblom, it will be submitted for government-level discussion "sometime in September after the summer vacations and the [meeting of the] budget work group." All groups in the government have also been informed of the program's formulation, but they have not taken an official stand on its content.

Lindblom says that the ministry has adopted positive measures toward preparation of an energy program because "it is the KTM's task to manage energy matters." Lindblom also confirmed on Tuesday that by making the issue public the ministry wants to dispel the notion that the KTM does not do anything to settle energy matters.

According to Lindblom, the ministry's latest reports have disclosed a lot of new things even now, although sections of the reports are still unfinished.

## Basic Power and Imports

Estimates of an increase in combined electricity and heat production have been set too high rather than too low, according to the reports.

The ministry thus maintains the moderate position it has stated many times: the growth in energy consumption should not be exaggerated. However, the ministry admits that it has overestimated the actual situation concerning production capacity in the planning stage or under construction. In any case, the ministry's energy supply forecasts have been somewhat imperfect.

The ministry also finds that environmental policy factors are eliminating the utilization of new hydroelectric power for energy purposes. Then again, the ministry believes that electricity can be conserved and that the use of electricity in direct electrical heating, for example, can be limited to some degree.

Lindblom stresses, however, that these factors do not greatly affect the need to construct large power plants or their timetable: extra basic power is required in the amount of two power plants. In addition to these, many smaller plants will be built and older ones repaired.

Lindblom does not take a stand on how fast the nuclear or peat power plant will be constructed. The slight undermeasurement of production estimates would support a quicker completion but, on the other hand, the smaller power plants could be built faster than the 7-10 years under consideration.

"All in all, no factors have turned up on the basis of which the timetable for constructing power plants would be lengthened, rather the contrary," said Lindblom in Loviisa on Monday.

An increase in the significance of imported electricity will also be underscored in the KTM proposal. According to Lindblom, imported electricity can be increased abundantly. The minister does not give figures. Roughly 4 of the 48.5 terawatt-hours used annually by Finland are imported from the Soviet Union. As far as is known, at least a couple of terawatt-hours are purchased yearly from the Nordic countries.

The Ministry of Trade and Industry does not want to disclose who will build the power plants. As everyone knows, Imatran Voima, or IVO [Imatra Power], wants to construct the peat power plant: there is still not a single one of its size in the world.

On the other hand, IVO and Teollisuuden Voima, or TVO [Industrial Power], have set up a joint enterprise which would build the next nuclear power plant. The location is still open. Both IVO's present power plant district Loviisa and TVO's Olkiluoto are ready to add a third [power plant] to their current two.

Nor does the KTM indicate where the peat power plant would be constructed. One known alternative is the capital city region, which would involve the conveyance of peat over long distances from Central Finland. Anyway, the KTM does

not say at this stage what would then happen to construction of a gas pipeline in the capital city region.

#### Putting Out Political Feelers

At the bottom of the premature disclosures made by Lindblom--in addition to the energy reports--is the ministry's desire to assure the inclusion of nuclear power when basic power alternatives are generally pondered. For this reason, the ministry wants to bring up [the idea of] a small nuclear power plant right now but has dropped a large unit from the agenda.

"If attempts are now made to force the various sides to take a stand on a large nuclear power plant, viewpoints may be nailed down prematurely. The KTM's goal is to see to it that nuclear power does not drop out of the running," specified Lindblom.

Then again, Lindblom wants to take a practical measurement of the support for--and the opposition to--nuclear power because "political caution has its limits."

#### Lindblom Began Sword Dance

Criticized for indecisiveness, Minister of Trade and Industry Seppo Lindblom chose an excellent time for the sword dance he initiated on behalf of nuclear power.

The Eduskunta, the decisionmakers and the people are on vacation. In the hot weather, nobody is interested in the fight against nuclear power. The nuclear sword drawn from the minister's scabbard can sparkle undisturbed in the summer-time without making the policy rustier.

Lindblom's brandishing of the sword is a demonstration for those who have criticized the trade minister as a footdragger. He wants to say that work is indeed being done in the ministry, even though some claim otherwise.

Lindblom held the view, even during the winter, that he did not need to start his sword dance on behalf of nuclear power. The ministry's earnestly made forecasts indicated that electricity consumption was not increasing according to the anticipated model.

But lo and behold! It is now unexpectedly observed that electricity production is not increasing according to the anticipated model either, and that the readied capacity cannot long satisfy the demand for electricity.

So all the forecasters of energy consumption seem to have been wrong, both the ministry and industry.

The Center Party in particular wants the Trade Ministry to formulate a clearer course of conduct in the direction of energy policy, although the party itself has managed to reach a stalemate in making decisions about energy policy.

Buried in the new energy cocktail prepared at the energy division of the Trade Ministry is a bait which, it is believed, will turn the heads of Center Party ministers who have withdrawn behind the resolutions of the party congress.

The Trade Ministry's energy cocktail may please most of the Center Party ministers if it is offered in the right form and at the right time. Agriculture Minister Toivo Ylajarvi, among others, supports "elucidation" of a fifth nuclear power plant.

The Center Party's party congress resolution in opposition to nuclear power may be defended most vigorously--due to his very position--by Chairman Paavo Vayrynen, the minister of foreign affairs.

Lindblom's cocktail contains a lure for the Social Democrats, who also oppose nuclear power.

The minister hints that in connection with the arrangement of the new power plants a decision may also be made to forbid the construction of hydroelectric power facilities, something which the environment minister, among others, has advocated. The proposal will certainly delight Matti Ahde and his kindred spirits.

Lindblom also hints at a restriction on direct electrical heating. For example, one method might be the imposition of a tax by which the rapidly growing use of electricity for heating could be limited. The decision would effectively curb Imatran Voima's desire to compete with Neste for the heating of houses. Not so long ago, after all, this competition became so intense that the Trade Ministry was forced to strike down the companies' advertising campaigns with its sword.

#### Surprise Announcement Stirs Criticism

Helsinki HELSINGIN SANOMAT in Finnish 20 Jun 85 p 25

[Article: "Energy Sphere Surprised by Lindblom's Swordplay: Insufficient Peat Grounds in Finland for 500-Megawatt Power Plant"]

[Text] The standpoint adopted and disclosed by Minister of Trade and Industry Seppo Lindblom on energy alternatives for the next decade is provoking expressions of tremendous surprise in energy enterprises. Imatran Voima believes that a 500-megawatt power plant is not worthwhile and cannot be built in Finland.

Neste refuses to make any comment about the minister's swordplay, and the coal importers think that "atomic Lindblom" pulled a boner by pushing for a nuclear power plant.

All the parties agreed amid surprise on Wednesday that a 500-megawatt peat power plant is not a feasible or profitable alternative, no matter what the cost estimates.

According to KTM projections made public by Lindblom, Finland's additional basic energy during the next decade would be obtained with one 500-megawatt

nuclear power plant and with a peat power plant of the same size. Lindblom promised to submit such a program outline for discussion by the government's ministerial committee on economic policy in September.

#### IVO: "Coal Still Surpasses Peat"

Lindblom's stand on construction of a fifth nuclear power plant is greeted with satisfaction by Anders Palmgren, a member of the board of directors at Imatran Voima. Palmgren considers it a major and authentic question whether the supplementary basic energy should be generated by coal or by peat.

Palmgren says that the status and competitiveness of peat have improved markedly during the last year due to the rise in the price of coal. The price of peat, on the other hand, has remained unchanged.

"Despite this, a coal-fired power plant is still more advantageous in condensation use," figures Palmgren.

IVO would therefore prefer to build coal-fired power plants, according to Palmgren. The Trade and Industry Ministry has contacted IVO concerning construction of large peat power plants. According to Lindblom, IVO has expressed its willingness to build a 500-megawatt peat power plant.

Palmgren carefully formulates IVO's answer: "Imatran Voima will gladly build peat power plants, if the alternative is a blackout in Finland."

According to reports made by IVO, a 500-megawatt power plant is a possibility in practice. Within a few years, a 500-megawatt power plant would need peat from such a broad area that the distances the peat has to be hauled would rise to several hundred kilometers.

The long conveyance distances also eliminate the possibility of erecting the peat power plant in the capital city region. The trip to Finland's peat grounds from Helsinki, Vantaa and Espoo is entirely too long.

According to Palmgren, the peat power plants in conformity with the Kajaani model are worthy of support. The city of Kajaani has made the tentative decision to build a peat power plant which would generate 100 megawatts of electricity and 200 megawatts of district heat.

The power plant would thus have more capacity than needed by the Kajaani area. The remainder, or so-called condensed-liquid tail, would be distributed throughout the country.

No one proceeded on Wednesday to estimate the cost of a 500-megawatt peat power plant. A unit half that size costs a little more than a billion marks.

#### Coal Importers Angry

The overshadowing of the coal alternative by peat was interpreted Wednesday by import firms in the coal trade as a political move. According to the coal

dealers, Lindblom wants to assure construction of the nuclear power plant by promising its opponents an increase in the use of domestic energy forms, mainly peat.

The coal importers concede that coal has lost its competitive edge since the spring of last year. In their view, a year's period is a prohibitively short time in the making of energy decisions.

"We get coal from numerous countries and places. Coal's popularity has risen everywhere. Its environmental friendliness increases with each study. What will be done then when Finland runs out of peat reserves?" argues Seppo Soderlund, marketing director at Coal and Coke, Inc.

The price of coal has risen 10 percent since the spring of last year. The import price of coal was roughly 204 marks a ton in March of 1984, 227 marks in December of 1984, and 259 marks in April of 1985. The consumer price of coal has risen correspondingly from 245 marks to the current 335 marks. The consumer price was at its highest, nearly 350 marks, during the English coal miners' strike in February.

Director Soderlund considers it wrong to impose a tax on coal and peat. Coal is subject to a business turnover tax; peat, however, is exempt from it.

A rise in the price of coal rapidly affects the power plants' competitiveness because fuel's share in peat and coal-fired power plants is two-thirds of the costs.

#### Miscalculation in District Heating

Lindblom also indicated in his energy standpoints at the start of the week that the KTM has overestimated energy production. This derives from the fact that the ministry has computed the amount of energy obtained from district heating power plants too high.

For years, the district heating estimates have been included in the general electricity supply plans, and the same figures are put down from one year to the next without adjusting them. But most district heating plants have been delayed or reduced in size as the plans have progressed. For example, construction of a roughly 60-megawatt power plant in Pori has been postponed until the 1990s. Nor has the plant in Kajaani been proclaimed from the pulpits.

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ENVIRONMENTAL QUALITY

AUSTRIA

NEW MEASURES ON VEHICLE EXHAUSTS PLANNED

Zurich NEUE ZUERCHER ZEITUNG in German 6 Jul 85 p 5

[Text] Vienna, 3 July--At the beginning of the year, the Austrian Federal Government announced a stringent program for the detoxification of automobile exhaust gases on the basis of the U.S. exhaust-gas standards. With that it has assumed a pacesetter role in Europe, in the hope that the rest of Europe will follow its course of action. Undoubtedly the most recent decision by the European Community against similarly strict measures for cleaning up exhaust gas represents a bitter disappointment for Vienna. Nevertheless the Austrian government seems determined to stick to its program. It confirmed this at the beginning of the week with the announcement of a second step, by means of which also heavy vehicles, heating, industrial, and power plants, and used oil will be covered in this counter-nuisance program. Also planned are measures affecting freedom of trade.

According to the announcements of the government, Austria will also be the first European country to introduce exhaust-gas specifications for heavy commercial vehicles. The government has announced that Austria will adopt ECE [Economic Commission for Europe] Regulation 49 for heavy commercial vehicles, but at the same time it will specify that all heavy diesel commercial vehicles which are licensed for service from the beginning of 1988 on must satisfy its exhaust-gas standards, which have been sharpened by 20 percent. An agreement is to be reached with those commercial-vehicle manufacturers that are important for Austria, to the effect that as early as from the beginning of 1986 on no commercial vehicles are to be delivered to Austria whose engines do not conform to this sharpened ECE standard. According to radio reports in this country, Steyr-Daimler-Puch, Daimler-Benz, MAN, and Iveco (Fiat)--which together represent about 85 percent of the Austrian commercial-vehicle market--are supposed to have already declared that they were willing to sign such an agreement. A further exhaust-gas reduction for heavy commercial vehicles is to be enacted about 2 years later, at the beginning of 1990.

An already adopted restriction of smoke emissions from diesel engines--the U.S. standard for passenger cars, the ECE Regulation 24 for commercial vehicles--will come into force at the start of the coming year. The exhaust gases from light diesel commercial vehicles (up to 3.5 tons) will be regulated at the start of 1987 with a reduction of 20 percent in

permissible limits. Another reduction of 25 percent is planned for the beginning of 1989. Early in 1986, the sulfur content of diesel and of extra-light heating oil (space heating) will be reduced from 0.3 to 0.15 percent, that of medium-heavy heating oil from 1 to 0.6 percent, and for a third of the total amount of light heating oil the reduction will be from 0.5 to 0.3 percent.

The Federal Government would like to reduce to a minimum by 1990 the emissions from heating, industrial, and power plants. Under the steam boiler emission law, which is being renamed the Air-pollution Prevention Law, for new plants of these types it will be possible to stipulate in the future that no longer merely flue-gas desulfurization methods that have been tested "in continuous operation" are to be used, but also very recent methods that have not yet been long-term tested. For old plants, a uniform desulfurization in accordance with the "current state of the art" is to be ordered. New small plants from 10 MW on (instead of 200 MW) and old plants from 50 MW on of heat output are to be included in this regulation.

There will have to be a new law to provide for the disposal of used oil. This waste disposal plan will begin already with sales, which will be permitted only if a used-oil collecting station has been set up. Arrangements for the orderly changing of oil on vehicles are under consideration, and provisions are being made for vehicle owners to be able to change their oil themselves at no cost in these locations. With that, the selling of motor oil by, for example, supermarkets or cooperative-association warehouses on a discount basis will have to cease to a large extent, which represents a competitive advantage for service stations. The used oils are burned to some extent in high-temperature furnaces, or else they have to be re-refined in special facilities. The Federal Government is holding out the prospect of assistance monies for the establishment of such facilities.

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